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# THE JERUSALEM POST

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## Iran arms deal 'U.S. told Israel to treble the price'

By WOLF BLITZER  
Jerusalem Post Correspondent  
WASHINGTON. — Amir Nir, adviser to the prime minister on counter-terrorism, was yesterday reported to have said that he was personally instructed by Lt. Col. Oliver North, the dismissed National Security Council staffer, about the price to charge Iran for U.S. weapons.

Time magazine, in its current issue, reports that Nir told Israeli government leaders that he had attended a meeting in Washington early this year with North and other White House officials, during which North said that Israel should charge the Iranians "three or four times" the actual worth of the weapons.

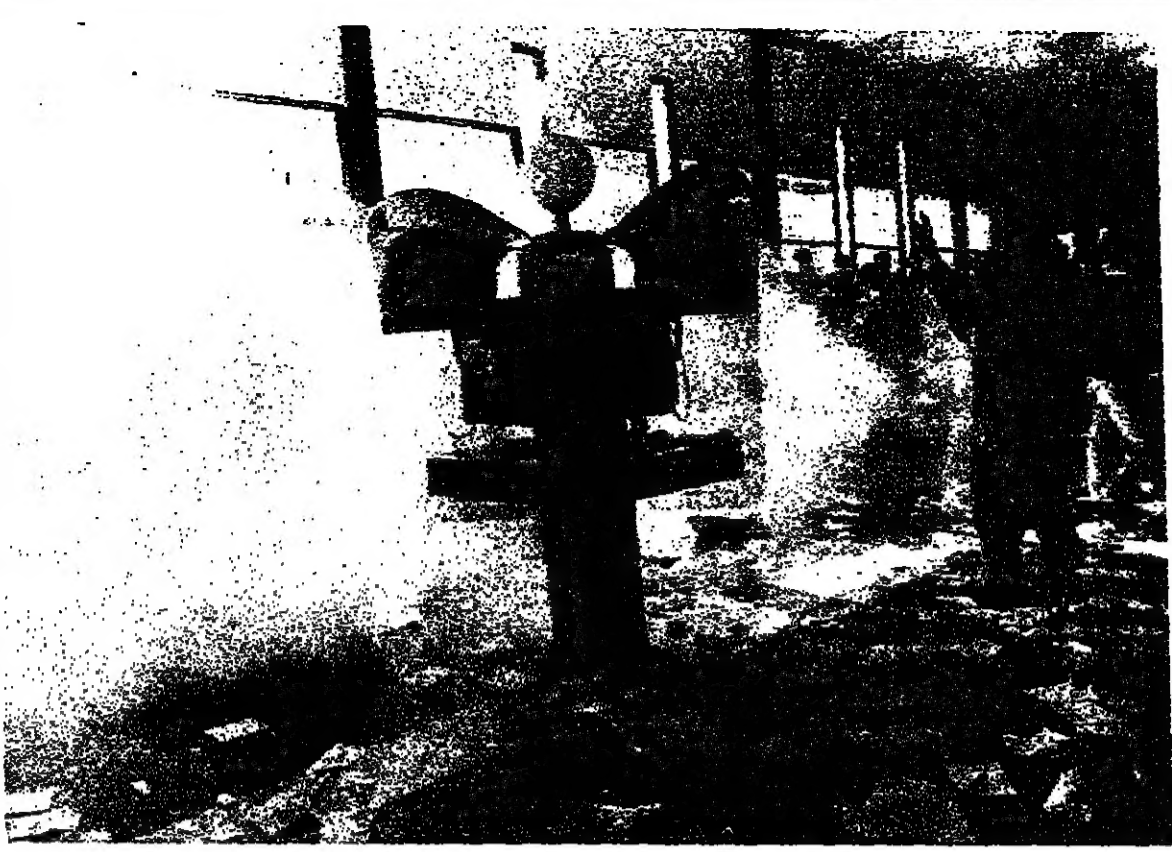
"I passed the American price on to the Iranians," Nir reportedly said. According to the magazine, Nir also said that no one at the meeting questioned North's instructions about overcharging the Iranians. The other U.S. officials present during the meeting were not named.

If the Time account is accurate, Nir's reported comments would appear to directly contradict President Reagan's remarks last week in a separate Time interview. Referring to Israel, the president had said: "Another country was facilitating those sales of weapons systems. They then were overcharging and were apparently putting the money into bank accounts of the leaders of the Contras. It wasn't us funneling money to them. This was another country."

Earlier, U.S. Attorney-General Edwin Meese had similarly insisted that Israeli "representatives" were marking up the price of the weapons and then diverting the profits to a secret Swiss bank account controlled by the Contras.

Time in its current issue does not say whether Nir, or other Israeli officials, actually knew that the profits were bound for the Contras. Nir and other Israeli spokesmen have flatly denied knowing anything about the Contra connection.

(Continued on Page 2, Col. 2)



Police use tear-gas to disperse demonstrators at the Hebrew University's Mount Scopus campus yesterday. Report below.

## Bank robbers nabbed after TA chase

By YORAM GAZIT  
For The Jerusalem Post  
TEL AVIV. — A police officer was wounded in the chest during a shootout with two robbers following an attempted bank robbery on Rothschild Boulevard yesterday evening. The two robbers, who were lightly wounded in the exchange, were caught following a dramatic chase down the back alleys of Tel Aviv's business district.

The attempted robbery took place at Bank Yahav. According to a police spokeswoman, the robbers entered the bank shortly before it closed. They ordered customers to gather in one corner together with the staff, but failed to open the safe.

One bank employee whom the thieves had not noticed, alerted the police from a second-floor office. The husband of one of the bank's female employees, who had come to take his pregnant wife home and sensed that a robbery was in progress for commercial strikes, and

(Continued on Page 7)

## Five Israelis, Palestinian hurt No let-up in Gaza, West Bank troubles

By JOEL GREENBERG  
Five Israelis and one Palestinian were hurt yesterday as disturbances swept the West Bank, Gaza Strip and East Jerusalem for the second consecutive day.

The wave of demonstrations was set off by the killings last week of three Palestinians in demonstrations at Bir Zeit University and the Balata refugee camp.

Demonstrators yesterday threw stones at Israeli vehicles and security forces, burned tires and set up stone barricades in a number of locations in the West Bank and Gaza Strip. They were dispersed by troops who in some cases shot in the air.

Incidents were reported at Jenin, Tulikarm, the Balata, Jelazoun and al-Amari refugee camps, Bir Zeit, Ramallah and el-Birch.

A curfew was clamped on Balata, and stone-throwers were arrested in Ramallah.

Pamphlets were distributed calling for commercial strikes, and

(Continued on Back Page)

## Unrest in areas could harm peace initiative

By BENNY MORRIS  
Post Diplomatic Correspondent  
The turmoil and killings in the territories could possibly set back the recent process initiated — each in his own way — by Foreign Minister Peres and King Hussein to encourage pro-Jordanian and pro-peace elements to come to the fore in the territories, one minister suggested after yesterday's cabinet meeting.

Officials in Jerusalem said yesterday that no foreign government has protested to Israel about the security forces' handling of the recent turmoil. While the weekend's riots received "widespread coverage" in the western media, "no one has gone overboard in condemnation of Israel," and Jerusalem is "unworried," they said.

Sources close to Peres argued that the disturbances "only served to reinforce our will to maintain the course already taken," though they conceded that Peres saw the events as "grave" and "regrettable."

At yesterday's cabinet meeting, Rabin and OC Central Command Aluf Amnon Shahak reported on what had happened since Thursday in the territories. The cabinet, whose deliberations were declared secret as a meeting of the Ministerial Defence Committee, reportedly upheld the security forces' actions in quelling the disturbances, which had resulted in three killed, a dozen wounded and about 100 arrests.

Rabin said that Israel's policy was to maintain law and order and peace for all the territories' inhabitants, Jews and Arabs. He and Shahak said that the security men had acted according to regulations and would continue to prevent disturbances in the future.

Trade and Industry Minister Ariel Sharon suggested that the disturbances should prompt the government to set up more settlements in the territories. Settlements are an assurance of security, he argued.

Rabin responded that only settlements along the borders served security needs; Jewish settlement in the heart of Arab-populated areas necessitated the deployment of IDF troops to protect the settlers and, hence, detracted from rather than

(Continued on Page 7)

## Chirac regime beleaguered as students take tougher stand

By MICHEL ZLOTOWSKI  
Jerusalem Post Correspondent  
and Agencies  
PARIS. — Premier Jacques Chirac is facing his greatest political crisis since taking power nine months ago.

Students and workers are calling for nationwide demonstrations and protests, and friction is increasing in the centre-right coalition in the National Assembly.

The general challenge to Chirac's conservative government grew out of the student protests that began three weeks ago against a university reform bill and resulted in violent clashes with police over the weekend.

But police measures during recent demonstrations, which led to the death of a 22-year-old student, have prompted students to take a harder anti-government position.

Calm was restored in the centre of Paris yesterday morning after a night in which vandals fought police and ran riot.

For hours four bands of rioters wearing helmets and leather jackets harassed police forces, set scores of cars on fire, prevented firemen from reaching the burning vehicles, and looted Latin Quarter boutiques.

In the early hours of the morning the Boulevard St. Michel looked devastated. Charred remains of cars lay overturned on the street, broken glass covered the sidewalks, and the unmistakable stench of tear gas and burnt rubber filled the air.

Twenty-eight people were arrested during the night and 60 policemen were injured.

The violence came after a demonstration on Saturday by 30,000 students.

The National Student Coordinating Committee yesterday denounced the violence and disavowed any connection with the vandals.



Premier Jacques Chirac leaves the Elysee Palace after a meeting with President Mitterrand on the student unrest.

(AFP)

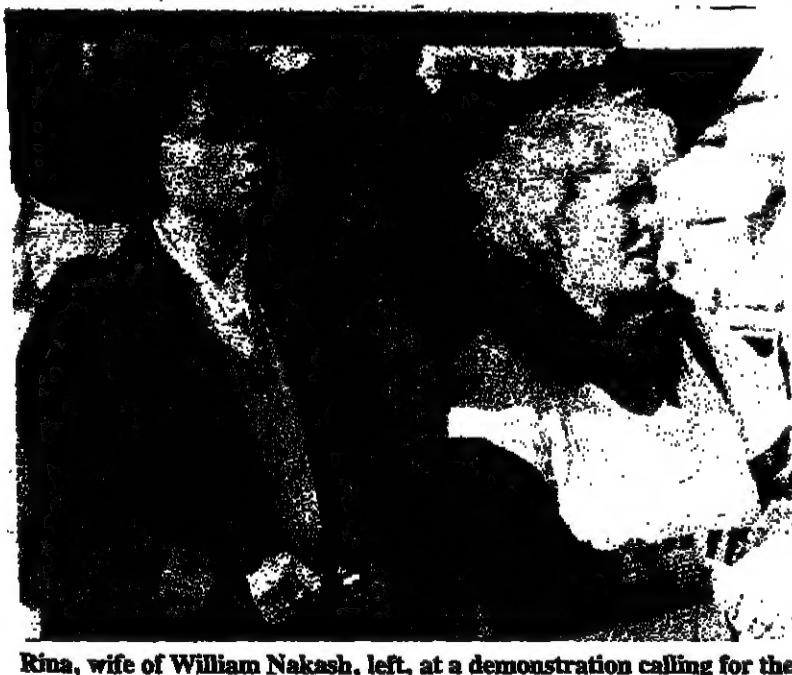
Chirac appealed for calm yesterday and said the government "will accept neither disorder nor attempts at destabilization waged by minorities."

Speaking at a Gaullist party rally, the premier said: "Nothing can justify deliberate provocation and aggression." He warned that the government would not tolerate disorders by "a helmeted minority, foreign to the student world."

At the same time, Chirac called on Frenchmen to understand the yearnings of French youth.

The national student committee, which met from Saturday night until dawn yesterday, issued a call for nationwide demonstrations Wednesday. It invited unions and other organizations to join in protesting against the reform bill and police "repression."

(Continued on Back Page)



Rina, wife of William Nakash, left, at a demonstration calling for the freeing of her husband outside the Prime Minister's Office in Jerusalem yesterday.

## Cabinet split over Nakash avoided

By MENACHEM SHALEV  
Jerusalem Post Reporter  
Prime Minister Shamir yesterday side-stepped a potentially divisive cabinet discussion of the William Nakash case by citing the pending High Court of Justice hearing on the matter.

Shamir rejected Absorption Minister Yisroel Tsur's motion for the cabinet to overturn Justice Minister Avraham Shari's decision not to extradite Nakash, and said that a discussion of the matter was "improper" under the circumstances.

Shamir met yesterday with Attorney-General Yosef Harish, State Attorney Yona Blattman and other Justice Ministry officials and explained the reasons for his decision.

Harish yesterday repeated his assertion that, in principle, he was willing to represent Shamir before the

(Continued on Page 2, Col. 2)

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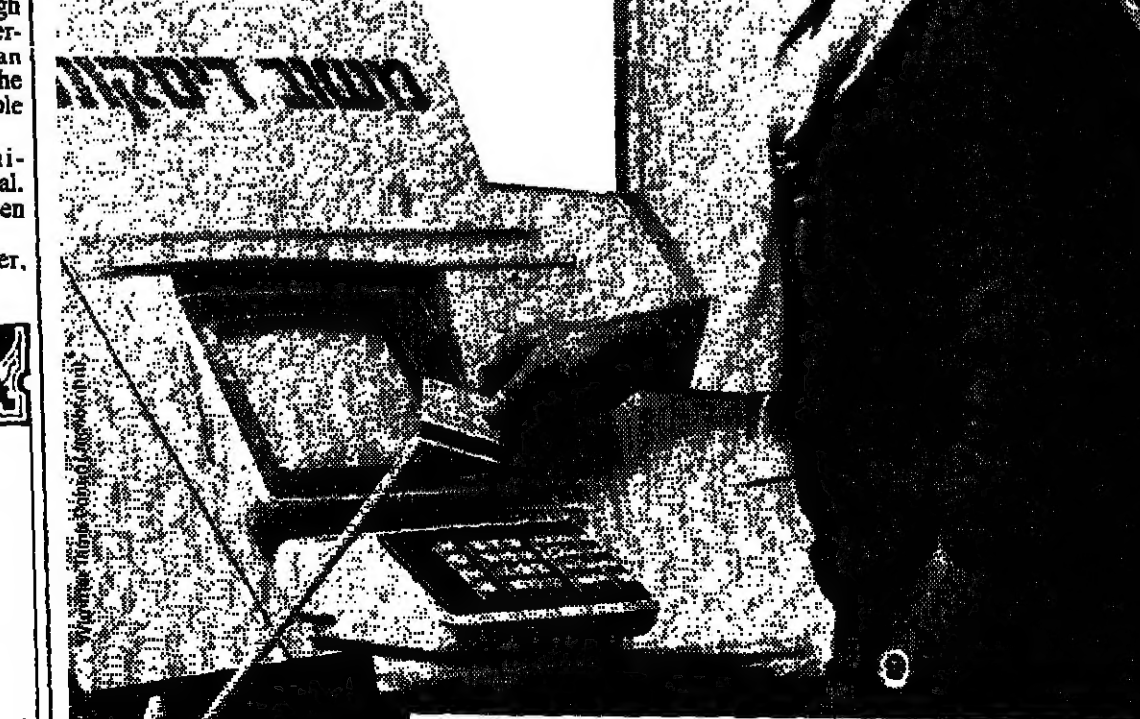
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## Protests at universities over fatal shootings at Bir Zeit Police use tear-gas at HU rival student rallies

By BERNARD JOSEPHS  
Jerusalem Post Reporter  
Police used tear-gas to break up a stormy and unauthorized demonstration at the Hebrew University yesterday, when about 500 left- and right-wing protesters threatened to turn the event into a pitched battle.

Three students were taken to hospital suffering from the effects of the gas, but student leaders as well as university officials and police said last night that the alternative to tear-gas would have been bloodshed.

The rally was one of several at

universities all over the country to protest against the killing by IDF troops of two students at Bir Zeit University in the West Bank. The two were shot dead during a confrontation on Thursday when students hurled stones at soldiers.

Members of the Hebrew University's left-wing Campus Students' organization and of the Committee of Arab Students staged the demonstration in the Sherman Building on Mount Scopus.

As the protesters chanted: "Two people, two states." They were soon opposed by members of the right-

wing Gild group, who shouted: "PLO out."

The two groups exchanged insults and began pushing and shoving in an area known as the Forum.

Yeshivath Beth Abraham-Sionim, Jerusalem  
extends deepest condolences to their revered friends  
Rabbi and Mrs. Emanuel Holzer  
of Flushing, New York  
Honorary Vice-President of American Rabbinical Council  
Chairman, Rabbinical Kashrut Commission  
on the death of his mother  
**SARA RIVKA**  
מרת שרה רבקה ע"ה  
המקום ינחם אתכם בתוך שאר אבלי צוק ודודלים  
Rabbi Holzer is sitting shiva at the Plaza Hotel, Jerusalem  
(Room 701) until Thursday morning, December 11.  
06757-10-714

EIGHT PAGES  
FROM SUNDAY'S  
**The New York Times**  
WEEKLY REVIEW  
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## The weather at major Swissair destinations

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AMSTERDAM	9	12	14	Cloudy
BRUSSELS	8	12	14	Cloudy
BIRMINGHAM	10	14	17	Rain
CHICAGO	3	27	39	Rain
COPENHAGEN	5	12	14	Cloudy
FRANKFURT	5	12	14	Cloudy
GENEVA	5	12	14	Cloudy
HELSINKI	7	12	14	Cloudy
HONGKONG	17	27	31	Clear
JORDANSHURG	16	27	31	Clear
LISBON	9	13	15	Clear
LONDON	5	12	14	Cloudy
MADRID	5	12	14	Cloudy
MONTREAL	12	19	21	Snow
NEW YORK	13	19	21	Cloudy
OSLO	5	12	14	Cloudy
PARIS	5	12	14	Cloudy
RIO DE JANEIRO	22	26	27	Cloudy
SAO PAULO	18	24	26	Cloudy
STOCKHOLM	10	14	16	Cloudy
TOKYO	7	17	19	Cloudy
TORONTO	10	14	16	Cloudy
VIENNA	5	12	14	Cloudy
ZURICH	9	12	14	Cloudy

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## THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Min-Max
Jerusalem	20	5-14	13
Golan	23	5-15	14
Nakaryia	28	5-20	19
Safed	14	12-12	12
Haifa Port	44	5-21	19
Tiberias	46	6-20	19
Nazareth	31	9-18	17
Afula	38	1-21	20
Sharon	29	5-16	15
Tel Aviv	43	8-21	19
B-G Airport	44	4-21	19
Jericho	29	5-22	21
Gaza	44	6-20	19
Beersheba	44	4-20	19
Eilat	19	7-22	22

## ARRIVALS

Board members, major supporters, and senior administrative staff of the Jewish Theological Seminary of America, for the Israel celebration of the 100th anniversary of the seminary and a study tour of the Masorti (Conservative) Movement in Israel: Mrs. Sadie Astor, Rabbi and Mrs. Arnold Cohen, Mrs. Joyce Arnold Cohen, Mr. and Mrs. Alvin Gershen, Prof. Moshe Greenberg, William and Elaine Krenetsky, Prof. Lee Levine, Mr. and Mrs. Stephen and Judith Peck, Robert Riddick, Mr. H. Axel Schopf, Mr. and Mrs. Leo Winer, Mrs. Evelyn Auerbach, Mr. and Mrs. Edward and Betty Cohen, Mr. Martin Cohen, Rabbi Michael Greenbaum, Mr. and Mrs. Sol and Evelyn Henkin, Mr. Rachel Linderthal, Mrs. Selma Rapoport, Dr. John Ruskay, Mr. Jack Toepf, Mr. Marshall Wolke.

Dr. John Cohen, from England, Mr. Michael Sonnenfeldt, from the U.S., guests of Ben-Gurion University of the Negev to participate in the Ben-Gurion Centennial Celebrations.

## Herzog, Shamgar at Baram funeral

President Herzog, Supreme Court President Meir Shamgar, ministers and Knesset members attended the funeral in Jerusalem yesterday of Moshe Baram, former labour minister and long-time Mapai and Labour Party politician.

Baram's coffin lay in state at the Jerusalem Labour Council headquarters before the procession left for the Har Hamenuhot cemetery.

Vice Premier Shimon Peres eulogized Baram as "a central figure in the generation that gave form to our lives quietly and with understanding."

A graveside eulogy was delivered by former president Ephraim Katzir. Kaddish was recited by Baram's son, Labour Party secretary-general and MK Uzi Baram.

## 'Britain balks on helping in chemical defence'

LONDON (AP). - The British Government is refusing to help Israel develop defences against chemical weapons because it fears jeopardizing good relations, arms sales and other business with the Arab world, The Sunday Telegraph reported yesterday.

The paper, in a report attributed to unidentified sources in the British Defence Ministry, said that Israel wants a chemical protection suit and respirator similar to those in service in Britain and West Germany, because Syria has deployed chemically-armed artillery shells and long-range missiles.

Although no formal request for assistance was received from Israel, unofficial approaches have been met with "a coolness which has ensured that no official request follows," the report said.

A British embargo on arms sales to Israel, imposed after the invasion of Lebanon in 1982 is still in force.

## Joint winners of chess tourney

Grandmaster Dimitri Gurevich of the U.S. and grandmaster Simen Agdestein of Norway yesterday won the Jerusalem International Chess Tournament, both recording eight points in the 11 rounds.

Looking for CELIA MANSTEIN, who may also be known as TZIPORA GLICK (GLU, GLIK). If any information about the above mentioned comes by, please contact: ELIEZER DIAMANT, ADV. 15, IBN GEVIROL ST., TEL. AVIV. TEL. 03-240810/229305

## HOME AND FOREIGN NEWS

# Jordan doubles West Bank aid

AMMAN (AP). - The government has proposed its first billion-dinar (\$2.9b.) budget to parliament, counting on crucial foreign assistance and loans to maintain its economy amid regional recession.

Jordan's 1987 budget represents a 10 per cent increase over this year's planned 923m. dinar (\$2.7b.) plan.

Included in the budget was a new allocation of nearly \$30m. to the West Bank - Jordan's contribution to a proposed five-year development plan to be financed largely through foreign aid. The new outlays, announced last month, would be in addition to the \$34m. Jordan already spends annually to support West Bank municipalities and civil servants.

Defence expenditures would be about \$900m. under the new budget. A deficit of 114.8m. is projected from an estimated income of \$2.8b. compared to only \$2.3b. in 1986.

Most of the increase in spending falls in capital and development expenditures, scheduled to jump by more than 20 per cent to the equivalent of \$1.3b. from \$1b. that would make this category a likely cutting ground if revenue fell short, according to some outside economists.

Jordan, which has little oil and few natural resources, depends heavily on grants and loans from foreign countries.

In 1987, it expects to receive 183m. dinars (\$530m.) from Arab countries. That was believed by most sources to be an increase over this year's still incomplete figure. Most of the rest of the planned \$1.1b. in foreign aid was expected to be in loans and credits.

The budget was assigned to the Finance Committee of the 60-member lower house of Parliament and will be discussed later.

## Police stymied after release of 'Subaru murders' suspect

By BRADLEY BURSTON  
For The Jerusalem Post

BEERSHEBA. - Detectives investigating the Negev "Subaru murders" appeared to be back at square one yesterday, a day after residents of the Beduin township of Rahat celebrated the release of Mohammed Granawe, arrested nearly three weeks ago as a suspect in the independence Day rape-slaying of a British kibbutz volunteer.

Lachish police commander Yossi Zecharia told reporters that investigators no longer had reason to believe Granawe was involved in the strangulation death of Lucy Amos near Kibbutz Dorot last May.

At the urging of Granawe's attorney, Suzy Shalev, detectives had worked until late Friday afternoon to complete the tests that confirmed Granawe's innocence and then released him. The police did not divulge the nature of the tests.

By Saturday morning hundreds of Granawe's relatives, members of a prominent Negev clan, had begun to gather at Rahat for a traditional

hafa celebration in honour of Granawe and his attorney. No fewer than 10 sheep and a calf were slaughtered for the occasion.

Exhausted but relieved to be home after 18 days in custody, Granawe said: "The most important thing is that justice was done and that it was made clear that I had absolutely no connection with this crime. To this day I don't understand why I was arrested or what they wanted from me."

According to family members, the initial news of Granawe's arrest had stirred shock and disbelief. "He had always been a calm person," said one relative. "He was never in trouble before."

Police officials have declined to comment on the further conduct of the investigation, though The Post has learned that other Rahat residents have recently been questioned in connection with the murder of Amos. Witnesses have described the car used in two of three Negev attacks on women as a beige Subaru.

## 'U.S. TOLD ISRAEL'

(Continued from Page One)

Secretary of State George Shultz is due this morning to testify on the affair in open session before the House Foreign Affairs Committee. New information is expected to emerge during the session.

Newsweek, in its current issue, reports that the CIA paid Israel for its arms sales to the Contras directly from the secret Swiss bank account where profits from the U.S. arms deals with Iran were deposited.

The magazine said that Israel, at the request of the U.S., has for years been secretly providing weapons to the Contras via Portugal.

In Bern, a Swiss Foreign Ministry spokesman said yesterday that a Swiss bank has blocked an account believed to be involved in diverting funds to the Contras.

Spokesman Clemens Birrer said the U.S. State Department asked the Swiss government on Friday for help in investigating Iran arms sales.

The Post Diplomatic Correspondent adds:

Shultz yesterday expressed the belief that the Iranian arms fiasco would ultimately strengthen the U.S. In a message to Prime Minister Shamir, which was described in Jerusalem as "extremely friendly," Shultz said he was looking forward very much to a visit by Shamir to Washington and hoped that the date could be fixed very soon.

Shultz's letter was a response to Shamir's missive of a fortnight ago, in which Israel strongly supported the embattled secretary of state. It is believed in Jerusalem that Shultz was "very moved" by that letter.

The Foreign Ministry spokesman, Ehud Gol, yesterday announced that all reports that David Kimche, the former director-general of the ministry, was the initiator of the transfer by Israel of U.S. arms to Iran, are untrue and without foundation.

# Bahai building plans stumble in Cabinet

Post Diplomatic Correspondent

The Baha'i sect's plans to add three new elaborate buildings at a cost of \$100 million to their temple complex in Haifa yesterday ran into a major Israeli bureaucratic snag: Finance Minister Moshe Nissim objects to a waiver of all taxes on the construction.

The cabinet, after a lengthy debate, yesterday in effect overturned the decision of a few months ago by a committee headed by Energy Minister Moshe Shahal, agreeing to the Baha'is' request for a blanket waiver.

The cabinet, at Housing Minister David Levy's suggestion, appointed a new committee consisting of Shahal, Justice Ministry director-general

Meir Gabai, Nissim Dana of the Religious Affairs Ministry and Nissim to find a solution within a fortnight - or else to resubmit the issue to the full cabinet for decision.

The original Shahal committee waiver of taxes was contingent on the Finance Ministry's approval. Nissim yesterday made clear that that approval would not willingly be granted. He opposed a *carte blanche* waiver and proposed, instead, that the Baha'is pay the appropriate taxes and afterwards submit requests for refunds.

Shahal argued that the Baha'i investment in the country would be enormous and that the state could afford to forgo the taxes.

Foreign Minister Shimon Peres proposed that

the cabinet should enable the Baha'is to circumvent the bureaucratic red tape of paying taxes and then having to obtain rebates. He also said that Israel's relations with the sect which has branches worldwide, was important.

Treasury representative Israel Bar-On, in charge of state revenues, asserted that the Shahal committee had failed to consult with the Treasury.

Nissim argued that Jewish religious bodies building temples and related structures in the Holy Land - such as the Great Synagogue next to Heichal Shlomo - had not received an exemption from taxes. Why should the Baha'is enjoy a special dispensation? he asked.

## Sharon's postings draw fury in ministry

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

Industry and Trade Ministry employees reacted angrily yesterday to news of Minister Ariel Sharon's latest political appointments to senior posts in the ministry. Senior ministry officials threatened to resign and the ministry's works committee has announced that it will fight the appointments.

Last week it was unofficially learned that Sharon had appointed his assistant Yisrael Katz to the second most senior post in the ministry, that of deputy director-general.

Katz lacks the professional skills required for the post, which should be filled by a public tender, the works committee stated in a letter yesterday to acting director-general Yoram Belisovski.

The works committee also noted that there are tenured workers already in the ministry with the necessary qualifications and background for the job.

Sharon's appointment of another assistant, Oded Shamir, as director of the ministry's investment centre, was approved last week by the committee overseeing civil servants' appointments.



Senior citizens make the most of the warm weather on Tel Aviv's Ben-Gurion Boulevard yesterday. (Ya'acov Shalish)

## Ministry cuts water to Beduin tribe

By ANDY COURT

Sixty-three Beduin families living on the outskirts of Beersheba have had their water supply cut off for the past week by order of the Agriculture Ministry, which charges that the clan is using drinking water to irrigate crops.

Assistant water commissioner Gidon Zur said yesterday that the Abu-Kaf clan has permission to use water supplied by a 50mm. diameter water line only for drinking purposes and not for growing crops. But the amount of water the families have been using lately, averaging about 1,250 cubic metres a month, indicates that they have been using water also for agriculture, Zur said.

The Association for the Support and Defence of Beduin Rights in Israel, however, disagrees. It points out that the single water line supplies drinking water for 700 people, 1,000 sheep and goats, 200 head of cattle, and 15 horses.

"The whole clan together doesn't use up as much water as one Jewish farming family," said Nuri el-Okbi, the association's chairman.

Since Mekorot, the national water company, cut off the water last Monday, afternoon, the Beduin have been hauling water in jerrycans and

containers from the pipeline supplying another group of Beduin families nearby, el-Okbi said.

The Agriculture Ministry wants the clan to sign an undertaking guaranteeing that it will not use the Mekorot-supplied water for agricultural purposes. The clan, however, wants a lawyer's advice before signing any such agreement.

The Abu-Kaf clan lives about 10 miles from Beersheba, near the road to Hebron. Until about three years ago, it relied on well-water. Now, however, the wells are unusable and the families are dependent on Mekorot for its water, el-Okbi said.

## Aids vaccine report premature

By JUDY SIEGEL  
Post Science and Health Reporter

The Weizmann Institute is furious over the release by a source at Rehovot's Kaplan Hospital of information about a possible treatment for Aids that has not even been tested.

The story, reported yesterday on Israel Radio, was "entirely premature," according to the institute's spokesman. Tests on AL720 and THF - two compounds meant to strengthen the body's immunological resistance - have yet to be made. Institute scientists Nathan Trainin, Meir Shinitzky and David Samuel have been working on the com-

pounds for 15 years, well before Aids became a global problem.

Drs. Zvi Bentwich and Zvi Hanzel are about to conduct tests at Kaplan Hospital, but the project is very far from general application.

The radio report caused a small sensation and led many journalists to call the Weizmann to ask about its "discovery." The reporter were told that numerous attempts have been made around the world to increase the body's immunological resistance and thus fight the devastating effects of the Aids virus, and that the Weizmann compounds have not even reached the testing stage.

## Theatre people demand end to censorship

Jerusalem Post Reporter

TEL AVIV. - About 300 performing artists, writers, directors and theatre managers met last night at the Tsavta Theatre here to demand the abolition of censorship of films and plays.

The meeting was called in response to the ban by the Film and Theatre Censorship Board last week of Shmuel Hassif's play *The Last Secular Jew*, which was to have opened at the Cameri Theatre. The board is to hear the Cameri's appeal of the ban today.

## NAKASH

(Continued from Page One)

a.m. to decide whether to release Nakash from Tel Mond prison or to keep him in custody until the end of the High Court deliberations.

On Friday, Barak gave Sharir seven days to explain why he should not reverse his decision not to extradite Nakash, who was convicted in France for the 1983 murder of an Arab.

The State Attorney's Office has already decided to represent Sharir at tomorrow's hearing, which deals only with Nakash's imprisonment and not with the merits of the decision against extradition.

Mapam MKs Chaika Grossman and Elazar Granot and Shinui MKs Mordechai Virshubski and Zeidan

Atsbe decided yesterday to join Citizen Rights Movement MKs Shulamit Aloni and Dedi Zucker as co-petitioners in the High Court hearings.

Finance Minister Moshe Nissim, a Liberal Party colleague of Sharir, is reportedly opposed to Sharir's decision. In April 1985, Nissim, then justice minister, ordered the attorney-general to begin extradition proceedings against Nakash.

Former finance minister Yoram Andor also condemned Sharir's decision, saying that it was inconceivable that Nakash should "remain a free man in Israel." Andor said that he would have ordered Nakash's extradition.

But Likud MKs apparently support Sharir's position.

## Peretz: A lesson to France

Commenting yesterday on the Nakash affair, Interior Minister Yitzhak Peretz said that "France should be taught a lesson" about keeping agreements, in light of the 1977 French refusal to extradite Palestinian terrorist Mohammed Odeh, also known as "Abu Daoud."

Abu Daoud, a commander of Fatah's Black September organization who masterminded the 1972 Munich Olympics massacre of 11 Israeli athletes, was arrested at a Paris hotel on January 9, 1977.

Two days later, a hastily convened French court released him, despite Israeli and West German requests that he be held pending the completion of diplomatic proceedings for his extradition. Abu Daoud was quickly put aboard a plane to Algeria.

The French court ruled that Israel had no standing in the matter because the Olympics massacre was carried out on German soil by non-Israelis. The West German extradition request was also deemed unacceptable because Bonn had not forwarded a formal plea "immediately" as prescribed by the French-German extradition treaty.

The French court decision was widely seen as having been dictated by then president Valery Giscard d'Estaing, who had feared possible damage to France's excellent relations with hard-line Arab states. The

release raised howls of protest throughout the Western world and Franco-Israeli relations deteriorated.

Then foreign minister Yigal Allon termed France's behaviour "terrible" and an "ugly surrender." He charged France with violating its extradition treaty with Israel and the European anti-terror pact. "What value is there, then, to agreements entered into with the French authorities?" he asked.

## Egged in the middle of press war

By MICHAEL YUDELMAN  
TEL AVIV. - Egged will distribute free copies of *Hadashot* and *Ma'ariv* today on its inter-city buslines. *Yediot Aharanot* claims that Egged is retaliating against the paper for publishing a series of exposés of corruption among Egged officials.

MK Ran Cohen of the Citizens Rights Movement yesterday blasted Egged for using public funds, with which it is subsidized, to try to cover up what may be criminal acts.

Cohen said that following publication of the series, Egged stopped all advertising in *Yediot* and decided to distribute its main competitors free to passengers.

*Yediot Aharanot* yesterday asked the Press Council to take action against Egged's threat to the freedom of the press.

Egged spokesman Yehuda Talmor yesterday said that the bus cooperative had no quarrel with any newspaper.

With great pain and sorrow we announce the death of

**SHULAMIT NAL**  
(Sulah)

The funeral will take place Tuesday, December 9, 1986 (י"ב בטבת, תש"ס), in the afternoon at Har Hamenuhot in Jerusalem.

For the exact time and place of the departure of the funeral cortege, please call 02-633143.

Her relatives and friends

On the thirtieth day after the passing of my dear and beloved husband

**ISRAEL (Issy) SRAGO**

there will be a memorial meeting and consecration of the tombstone, tomorrow, Tuesday, December 9, 1986 at 2:30 p.m. at the Kiryat Shaul cemetery.

We will meet at the gate.

Diana (Dina) Srago and family

The Knesset  
The Knesset Speaker and Members of the Knesset mourn the death of

**MOSHE BARAM** מ"ר

Knesset Member during the Fourth to Eighth Knesset terms and former Government Minister, and share the grief of the family.

With deep sorrow we mourn

**ROSE BLOOM MANY** מ"ר

Eliahu Many  
Malkiel Many  
Ida Davidowitz

To Avraham Goldenberg

We share your deep sorrow on the death of your

**Father** מ"ר

Hamehapech Cooperative Society Ltd., Jerusalem

In deep sorrow, we announce the death of our dear

**MICHA SITTNER**

who fell in the line of duty.

His mother: Rosa Sittner  
His wife and children: Ora, Ruti and Assa Sittner  
Families: Pick, Orgler and Canaan

The funeral took place on December 3, 1986.



Jerusalem Post Page 1

**Cabinet**

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Jerusalem Post Report

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## FOREIGN AND REGIONAL NEWS

# Basra, Iraq's second city, 'under constant attack'

NICOSIA (AP). - Iran said yesterday its gunners fired three missiles into Basra, Iraq's second largest city, while its warplanes bombed five other targets to avenge the killing of 114 civilians in "savage" Iraqi air raids.

Iraqi officials confirmed Basra has been under "continual bombardment," but made no specific mention of any missile strikes. The city, only 23 km. west of the battlefield, has been repeatedly pounded by Iran's long-range artillery in recent months.

Iran's official Islamic Republic News Agency (IRNA), monitored in Nicosia, said the three short-range missiles damaged "military and economic targets" in Basra.

The Iranians have hit Baghdad, the Iraqi capital, with six medium-range missiles - believed to be Soviet-made SS-1 Scud weapons -

this year in retaliation for Iraq's intensifying air campaign aimed at obliterating Iran's industrial centres and its vital oil exports.

Baghdad Radio quoted an Iraqi military spokesman as saying Iraqi fighter-bombers hit a "large naval target" - a term that usually means a tanker - off the Iranian coast several hours after the reported missile attack. There was no immediate confirmation of the action from Gulf-based shipping and salvage sources.

Iran said the first Iranian air strike yesterday morning hit the Al-Kut base in south-east Iraq. It claimed Iraqi jets use the base to attack Iranian population centres.

The Iranian warplanes also hit a power station and other "military and economic targets" in Dukan and Diyana in north-east Kurdistan, as well as installations in the eastern towns of Jalula and Amadiyah, the agency said.

There was no comment from Baghdad about the air raids.

Iraq's powerful air force bombed a chain of targets deep inside Iran on Saturday, including a large power plant near the Soviet border and Ahvaz in the southern oil province of Khuzestan.

Iran said 114 people were killed and scores wounded in Ahvaz, where more than 30 residential districts were hit. But it gave no details on the extent of damage at the Neka power station, 200 km. north of Tehran.

The 1,960-megawatt station is believed to be one of the largest in the Middle East.

Iran said Tehran protested the Iraqi raids on civilian targets in a letter Saturday to UN Secretary-General Javier Perez de Cuellar, and asked him to dispatch an envoy to "check the devastation in Ahvaz."

## Opposition formed party despite Kuomintang ban

# Dissidents gain in Taiwan poll

TAIPEI (AP). - Political dissidents, campaigning under a party banner for the first time, scored impressive gains in a general election but the Kuomintang Nationalist Party maintained its grip on both legislative assemblies. Official results showed yesterday.

"We have proved that our party has been recognized, affirmed and accepted by the public," Yu Hsi-kun, the chief campaign strategist for the dissident Democratic Progressive Party (DPP), told a news conference.

Native Taiwanese opponents of the Kuomintang (KMT) have had to campaign individually without party organization because of martial law restrictions that prevent the formation of new political parties. The dissidents defied the ban, however, and formed the DPP in September. The Kuomintang described the DPP as illegal but took no action, reportedly at the request of President Chiang Ching-kuo. He has approved political reforms, expected to be adopted next year, that would include an end to the martial law that has existed since 1949.

In Saturday's election for 73 of the 324 seats in the Legislative Yuan, Taiwan's highest law-

making assembly, DPP candidates captured 12 seats, five more than held previously by dissidents.

DPP candidates also won 11 of the 84 contested seats in the 905-seat National Assembly, compared to three held by dissidents in the past. The Assembly is Taiwan's electoral college and its primary function is to elect the president and vice-president and vote on constitutional amendments.

The remaining seats in the two houses went to independents. The KMT, which has dominated politics in Taiwan since the Nationalists retreated from the China mainland in 1949, won 59 Legislative Yuan seats, a loss of three, but gained seven seats in the National Assembly, from 61 to 68.

The Nationalists maintain they are China's legitimate government, and both assemblies include members claiming to represent all provinces of mainland China. The seats that were contested Saturday were only for representatives from Taiwan, which both the Nationalists and the Communists on the mainland say is a Chinese province.

Election officials said 65.4 per cent of Taiwan's 11.8 million eligible voters took part in the election, compared to 63.6 per cent in the last Legislative Yuan election three years ago. National Assembly elections are held every six years.

The Central Election Committee said the KMT received 67.5 per cent of the popular vote, compared to 70 per cent in the last election, and the DPP 21.6 per cent.

You Ching, a member of the DPP's 10-member senior council who was elected to the Legislative Yuan, told a news conference the DPP's performance reflected public support for an opposition party, and that the DPP would open its membership to Chinese mainlanders living in Taiwan. The DPP's membership now consists of native Taiwanese.

The DPP says its support comes from three groups - native Taiwanese who dislike being ruled by the mainland Nationalists, people who want an effective opposition party, and voters who feel the KMT has been slow in promoting democratic reforms.

## Pretoria press crackdown predicted

# Death toll now 20 in S. African mine clash

JOHANNESBURG. - Ten more black miners were killed and 21 injured in a second night of factional fighting at the world's second-largest gold mine, raising the two-day death toll to 20, the mine's management said yesterday.

The fighting occurred Saturday night at two hostels at the Vaal Reef gold mine, about 160 km. southwest of Johannesburg, despite tightened security in the aftermath of clashes Friday night which left 10 dead and 51 hurt.

John Kingsley-Jones, spokesman for Anglo American Corp., which owns Vaal Reef, said management was meeting with representatives of the factions in an effort to resolve their differences. He said the cause of the latest fighting was not clear but might be linked to the union dispute over use of the tavern.

The mine has 47,000 employees, mostly migrant black labourers who live in all-male hostels 11 months of the year. Mine taverns are a focus of social life for the workers.

South Africa, rocked by more than two years of political violence, has been under a national state of emergency since last June. The National Party government has already detained an estimated 20,000 people without trial and

has been accused of human rights abuses. Newspapers and anti-apartheid organizations yesterday said the government was preparing to launch a

pre-Christmas security crackdown on its critics, and would tighten controls on the press even further.

The widespread reports followed the disclosure that the country's four main newspaper groups have held talks with President P.W. Botha on disciplining the media.

The two-million-member United Democratic Front (UDF), the largest anti-apartheid grouping, said "the state has been planning a massive operation against all democratic forces before December 16."

"We have received information that camps have been cleared for mass detentions and that a nationwide swoop is planned for December 9," it said in a statement.

Botha's office disclosed last Friday he twice met the National Press Union (NPU), which represents major Afrikaans and English newspaper owners, to discuss "the security situation, the revolutionary onslaught and steps to combat these threats."

The South African Society of Journalists said it was shocked to hear of the talks and asked whether newspaper owners were joining forces with the government.

Editorials in two newspapers yesterday sought to explain the owners' dilemma. *The Star*, a frequent government critic, said the press was now fighting for its life. (Reuters, AP)

## How Nobel winners will spend money

STOCKHOLM (AP). - One Nobel medicine laureate said yesterday she will give most of her prize money to the needy, and toward the restoration of Jewish antiquities in Italy. Her co-recipient said he will use it to educate his grandchildren.

Rita Levi-Montalcini, of Rome, and Stanley Cohen of the U.S., were honoured for their discovery of the "growth factors" of nerves.

They told a press conference yesterday that winning the coveted prize brought temporary "chaos" to their lives - but also "enormous enjoyment."

The pair will share \$290,000 in prize money for their pioneering research.

Through her studies, over the past half-century and in different parts of the world, Levi-Montalcini discovered there was a factor that ruled the growth of nerves.

But it was Cohen - partly through accident - who determined that the nerve growth factor was a protein and later, at a time when the two had joined forces, discovered the epidermal growth factor EGF.

Joked Cohen: "On our own we were good and competent. Together we were marvellous."

Their work is expected to have wide-ranging effects. Already it has enabled researchers to check Parkinson's Disease in laboratory animals and help save burn victims by growing new skin in laboratories.



The charred remains of cars and the stench of burning rubber lingered on Paris' Boulevard St. Michel yesterday after riots Saturday night left tens of people injured or burnt, and numerous shops in the Latin Quarter looted. The riots followed a peaceful student demonstration protesting the death the night before of Malik Oussekine, 22, as a result of police beating.

## Family of former UN chief don't want Waldheim to attend memorial event

Jerusalem Post Correspondent and agencies

NEW YORK. - Secretary-General Javier Perez de Cuellar will not attend a ceremony at the UN office in Vienna to honour Austrian President Kurt Waldheim has been invited because of "scheduling problems," Mario Zamorano, a spokesman for the secretary-general said in New York Friday.

The ceremony will commemorate the issuance of a stamp honouring the UN's first secretary-general, Trygve Lie. Members of Lie's family have announced they will not attend, in protest at the invitation extended to Waldheim.

Zamorano said that Waldheim's invitation represented "very normal" practice toward a former secretary-general.

Lie's daughter told the Norwegian newspaper *Dagbladet* on Saturday: "My father fought against the Nazis and Waldheim has no right to speak at a ceremony in his honour, or for the Allied soldiers killed during World War II, or for the Jews."

In an interview at her home in New York, Guni Lie Zekendorf said she strongly resents "the way some people are trying to rehabilitate Waldheim at the cost of my father."

In Vienna, U.S. Ambassador Ronald Lauder told a newspaper

that the U.S. Justice Department might take no decision in its investigation into Waldheim's alleged Nazi activities.

There is a good chance that the Justice Department will leave open whether to place Waldheim on a special immigration "watch list" restricting entry into the U.S., Lauder was quoted as telling *Die Presse* on Friday.

In Washington, a Justice Department spokesman said he could not comment on the newspaper report, adding: "We have not made any decision on Waldheim yet."

## The rich shameless face of New York

By ROBERT BASLER

NEW YORK (Reuters). - The rumour that New York had a bar for neophiliacs seemed grotesque enough, but what writer Sharon Churcher found more shocking was that so many smart New Yorkers had heard of the place and thought it sounded fun.

The bar was said to feature a genuine corpse on the premises, and the late author Truman Capote was supposed to have defended the ghoulish sport by saying that "they change the body every day."

"It was considered chic," Churcher recalls of her unsuccessful search for the place. "The people who were telling me about it were the Brooklyn Heights literati."

Churcher, a British-born journalist, has just published *"New York Confidential"*, a look at the lifestyles

of the rich and shameless in a town where it seems hard to have too much cash or too few scruples.

Her New York is a place where:

• Claus von Bulow was considered more fashionable after his first trial, in which he was convicted of trying to murder his wife, than after his second, in which he was acquitted.

• Yuppie drug dealers make regular visits to a lower Manhattan park bench to use a junkie there as a human guinea pig for testing their heroin and cocaine.

• When Queens borough president Donald Manes slashed his wrist in his first suicide attempt - his second was successful - the act inspired a work of art in a trendy gallery.

Of course, Churcher's city has its share of ordinary people simply clambering up the social ladder. She

says her book is a guide "only in a satirical sense." But for those who want to use it that way, it provides a coldly calculating path to success.

In her city only suckers pay. People with enough nerve can get free limousine rides (she tells how to trick chauffeurs), free meals at fine restaurants (the proper amount of offended arrogance is the key) and free publicity (make up an affair with a star and be willing to talk about it).

Churcher's advice may cause a bit of trouble for those who fall victim to it. But, as she says, "other people's problems are never your concern in New York."

## The Soviet Union's newest profession

By ANDREW WILSON

MOSCOW. - The latest Soviet revelation on prostitutes concerns a girl called "Olga" who has aroused resentment by undercutting prices at the prestigious Mezhdunarodny Hotel, which adjoins the International Trade Centre and is widely used by Western and Japanese businessmen.

According to the newspaper *Moskovskiy Komsomolets*, Olga does not hang around the hotel like other prostitutes; she actually lives there. This saves money on expensive outdoor clothes, taxis, and bribes to doormen.

"Her foreign husband (whose existence entitles her to the legal possession of foreign currency) has returned to his own country," says the paper. "But she is not missing him

too much. She manages to get through a few rooms in a day.

Meanwhile, other businesswomen (the Soviet euphemism for prostitutes, whose existence is not officially acknowledged) are grumbling - Olga is selling herself too cheaply."

The newspaper, which has clearly done some thorough research into the matter, gives the going rate for Moscow prostitutes as \$100 in hard currency, often earned in 10 minutes.

"Some of the earnings they sell on the black market for rubles, some they spend on luxuries in hard currency shops, and some they spend on expensive goods which they may buy from one another."

As examples the paper gives: boots - 20,000 Japanese yen; sandals \$100; a swimming suit - 500 French

francs. But the most expensive item, for which one must save up is a foreign husband by whom to legitimize all this money.

"They buy all kinds," says the author "but the price is more or less always the same." The wife-to-be must sleep with approximately 50 foreigners (i.e. earn \$5,000) in order to afford one.

The writer of the *Moskovskiy Komsomolets* article recalls meeting a prostitute in a hotel in the fashionable Black Sea resort of Sochi who was showing her daughter the ropes. "If she plays on a large scale," the mother told him, "she can retire on a 'pension' at 25."

In Moscow, according to friends, one girl called "Blokha" (the flea) has earned more than \$150,000 in five years. (London Observer Service)

## 'Pravda' urges Arab pact against 'imperialism'

MOSCOW (AP). - The Communist Party daily *Pravda* yesterday accused the U.S. of directing a campaign against Syria and suggested Arab states should ally themselves to ward off "encroachments of imperialism and Zionism."

The unsigned commentary reviewed sanctions invoked by Britain, West Germany and the U.S. against Syria for alleged participation in terrorist acts, and attributed the actions to a U.S. "crusade" against Arab states.

*Pravda* said charges that Damas-

cus was involved in an abortive attempt to blow up an El Al airliner at London's Heathrow Airport were a "pretext" for the latest campaign, and that Washington has turned a deaf ear to Syrian condemnation of terrorism.

Washington is pressuring its allies to isolate Syria politically and economically in preparation for an armed attack, to be delivered by Israel, *Pravda* said.

The newspaper likened the actions against Syria to those that pre-

ceded the U.S. bombing of Libya in April, and declared that the similarity is not accidental.

"We see an attempt in both cases to make the Arab countries pursuing the anti-imperialist course abandon it."

The article continued, "The events around Syria are another manifestation of the anti-Arab line pursued by the Western countries headed by the U.S. which would like, in alliance with Israel, to thrust their will on the Arab peoples."

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# Center Stage

## At the White House, Suspense, Surprise And Even Optimism

By BERNARD WEINRAUB

**D**ONALD T. REGAN, the chief of staff, was sitting in his office in the West Wing of the White House last Tuesday, examining the vagaries of the stock market. As the uproar continued over the sale of arms to Iran and the diversion of millions of dollars to Nicaraguan rebels, the poll reports reaching Mr. Regan showed a sharp drop in the President's popularity — decisive confirmation that the Reagan White House was in its worst crisis.

That afternoon Mr. Regan — who had endured bipartisan calls for his resignation but was to get an expression of support from the President by week's end — received his first good news of the crisis. Stock prices climbed to record levels as the market reacted with relief, analysts said, to President Reagan's forceful support for a full investigation of the Iran arms scandal.

The two episodes reflected the odd drama that seized the White House last week, a drama of whispers and gossip, a drama in which gloom yielded, for the first time in nearly two weeks, to modest optimism that the worst may be over.

"Are we so preoccupied with Iran that no one is doing anything else? The answer is no, absolutely no," said Alfred H. Kingston, the Cabinet Secretary.

"Sure, it'll have an effect," said William L. Ball 3d, Assistant to the President for Legislative Affairs. "I won't deny, though, that until the independent counsel and the Congressional committees complete their work,

by Robert C. McFarlane, the former National Security Council adviser. People familiar with his testimony said he had told the panel that President Reagan gave advance approval for Israel's sale of arms to Iran. That testimony contradicted assertions by Attorney General Edwin Meese 3d, who has said that Mr. Reagan had been informed only "generally" about the first Israeli arms shipment, which took place in September 1985.

And the Central Intelligence Agency told Congressional investigators that Colonel North had persuaded the agency to help in a November 1985 arms shipment to Iran, a contention some Capitol Hill officials believed might be a self-serving attempt by the agency to justify its action. And at week's end, Administration officials were saying that they were slowly coming to the conclusion that the Nicaraguan rebel insurgency was probably doomed because the scandal would drastically reduce funds.

In a White House in which poll ratings are watched carefully by Mr. Reagan as well as his wife, Nancy, the publication on Tuesday of a New York Times/CBS News poll was, by all accounts, profoundly disturbing. Mr. Reagan's overall public approval rating had dropped 21 points in a month, to 46 per cent from 67 per cent, the most precipitous one-month drop ever recorded by a public opinion poll measuring Presidential popularity.

Representative Newt Gingrich, a Georgia Republican and Reagan supporter, said, "I think they obviously stumbled badly," adding, "the President's first reaction was that if he blustered and was stubborn it would go away. His whole tone has changed."

In rapid order last week, Mr. Reagan met Monday with the newly-named three-man panel that will examine the operations of the National Security Council. He also denied "flat out" that he had known in advance that money from the Iran arms deals had been diverted to the rebels.

On Tuesday, Mr. Reagan named Frank C. Carlucci, a former Deputy Defense Secretary and the No. 2 man at the Central Intelligence Agency during the Carter Administration, to head the National Security Council. The move evoked bipartisan support. The next day Vice President Bush, widely seen as wanting to distance himself from the month-old crisis, made his first public speech on the affair.

He said that "mistakes were made" and "our credibility has been damaged," but defended the President's motives for selling arms to Iran. Like Mr. Reagan, the Vice President, who is a potential Presidential candidate in 1988, denied any knowledge of a connection between the Nicaraguan rebels and the arms deals.

By the weekend, White House officials were voicing some hope that the worst had passed — a judgment not shared by every observer.

Dennis Thomas, a close aide to Mr. Regan, said "We can't undo what's been done. Our test is how we react to it, how we handle it, and the President has shown leadership in what he's done. We're handling this realistically and honestly."

But Senator Daniel Patrick Moynihan, Democrat of New York, said the Administration was "dead in the water." He added, "This Administration is effectively over. It has no program. And the question for the President is why did you let this happen? How could you let it happen?"

And Kevin Phillips, a Republican analyst, said, "The only question is how far the undermining goes, how far that loss of confidence goes. I don't know what real agenda they've got left to avoid being defensive all over the political map. They're facing legal questions now, not public relations questions. You just can't deal with these by appointing commissions. They are trying to staunch a hemorrhage."



Associated Press  
Frank C. Carlucci (top), who was named last week as national security adviser, and Lieut. Col. Oliver L. North.

this matter will be receiving attention in Congress and will be a distraction."

The distraction was, in fact, the focus of Congressional attention last week. Both Houses of Congress decided to choose their own special committees to investigate the affair when they convene in January. The President declined an appeal by the Senate Republican leader, Bob Dole of Kansas, to call a special session of Congress immediately to examine the matter. In the meantime, the Senate Intelligence Committee began closed hearings, which produced suspense and a surprise.

### Fifth Amendment Invoked

On Monday, Lieut. Col. Oliver L. North, described as a central figure in the diversion of millions of dollars from Iran arms deals to the Nicaraguan rebels, invoked his Fifth Amendment right against self-incrimination. Less than two weeks ago, President Reagan dismissed Colonel North from a job at the National Security Council, but, reflecting an ambivalent attitude, also called the Marine Corps officer a hero.

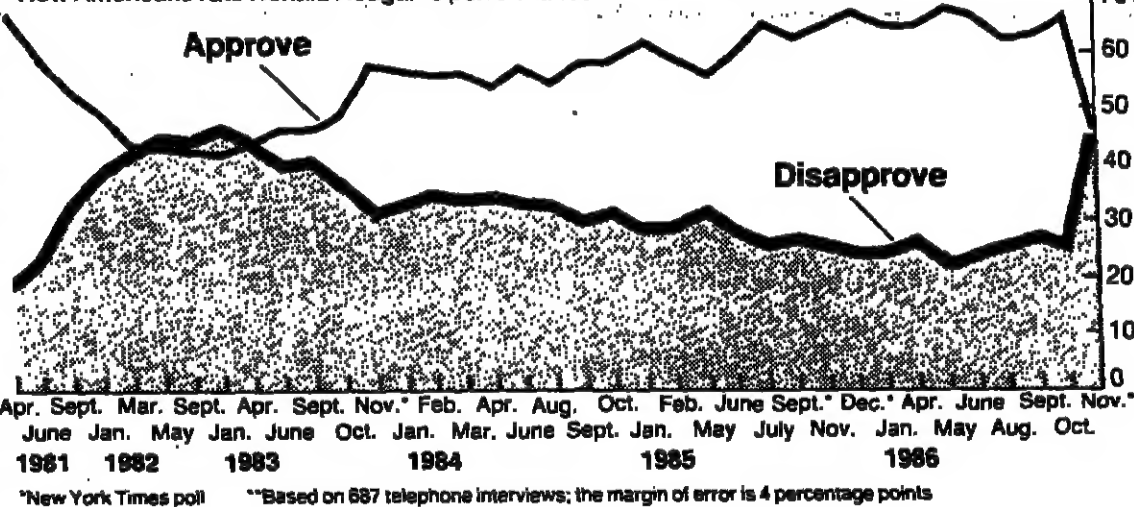
Two days later, Colonel North's boss, Vice Adm. John M. Poindexter, who had resigned as the President's national security adviser, spent more than an hour in closed session with the Senate panel and also invoked the Fifth Amendment. Mr. Reagan said it was up to Cabinet officers to decide whether to invoke the Fifth Amendment.

The surprise that emerged from the hearings was a report of testimony last Monday



### The President's report card

How Americans rate Ronald Reagan's performance



\*New York Times poll \*\*Based on 687 telephone interviews; the margin of error is 4 percentage points

## European Allies Are Watching Nervously

By JAMES M. MARKHAM

**W**ITH a respectful silence appropriate to an emergency ward, the European allies watched anxiously last week to see if another American Presidency was about to destroy itself. "The auguries are not all that good," observed a senior Western European envoy. "We live, especially since Reykjavik, in a complicated and turbulent situation, and we need a confident and competent team in Washington."

On this side of the Atlantic, the shock over what some newspaper headlines are calling "Irangate" has been less about the substance of the scandal than about the implications of a weakened, distracted American President confronting both the Atlantic Alliance and the Soviet Union. The Europeans know, too, that a resurgent Congress could mean even greater unpredictability in American foreign policy. And they fear that a confident, Democratic-controlled Congress might strain trans-Atlantic relations with protectionist legislation that an enfeebled President might not be able to kill.

Prime Minister Thatcher, hostess to a European Community summit in London, last week appealed to assembled leaders to demonstrate Western unity because of Mr. Reagan's troubles at home. She reportedly told President Francois Mitterrand that "one can say everything to the American president as long as one says it in private." And public comment or advice from European leaders on the Iranian imbroglio was discreetly sparse.

### Unease in Bonn

But the Washington scandal compounded an earlier and greater shock for the Europeans — the giddy vision of abolishing ballistic missiles that emerged at the Iceland summit between Mr. Reagan and the Soviet

leader, Mikhail S. Gorbachev, in October.

For many Europeans, Reykjavik confirmed that Mr. Reagan, starting with his program for a space-based shield against nuclear missiles, has embarked impulsively on a radical revision of NATO's doctrine of deterrence. That is, in place of the old umbrella of deterrence by nuclear missiles aimed at the Soviet Union from Europe and America, would be the "Star Wars" shield against Soviet missiles.

For non-nuclear West Germany, the Continental cornerstone of the Alliance, the drift of American strategic doctrine under Mr. Reagan has been profoundly disturbing. One senior Bonn official declared that, since Reykjavik, "extended deterrence is basically dead, its credibility destroyed." The American President, argued this official, had indicated to Mr. Gorbachev "a willingness to abandon the Europeans."

In part to counter such alarmist thinking, France's Prime Minister, Jacques Chirac, last week proposed a "Western European charter of security principles." Speaking in Paris to the seven-nation Western European Union, Mr. Chirac warned that "decisions vital to the security of Europe could be taken without Europe's really having any say in the matter." He also said the principles should include reliance on nuclear deterrence and the continued presence of American troops in Europe. On his own mission of reassurance, Secretary of Defense Caspar W. Weinberger said at a NATO defense ministers' meeting here that the Pentagon was awarding \$14 million in research contracts to explore ways of shooting down Soviet short-range ballistic missiles over Europe. His message was clear: The Reagan Administration's shift in strategy does not mean the abandonment of its allies. The defense ministers seemed to show their concern by leaving out of their communiqué any mention of Mr. Reagan's abolitionist goal of eliminating all ballistic missiles in a decade.

Some European strategy analysts detected not boldness, but simply incoherence in

Washington's arms policies. "I don't think they've thought through what they're trying to achieve," commented Lawrence Freedman, a British authority on nuclear strategy. "It's a lot of American internal politics." Ten days ago, Mr. Reagan made the momentous decision to commission the 131st bomber equipped to carry cruise missiles.

Yet this breaching of the 1978 Strategic Arms Limitation Treaty drew mostly muted criticism in West Europe — in large measure because Mr. Reagan's friends like Mrs. Thatcher and Chancellor Helmut Kohl of West Germany did not want to aggravate the President's domestic predicament.

Several European officials speculated that Mr. Reagan's travels on the home front could distract him from striking an historic arms agreement with the Soviet Union. A few West Europeans, but especially the French, might welcome such a development.

### Russians Hold Back

The Soviet Union, though, appeared to be taking a very cautious approach to the turmoil in Washington and avoided playing up Mr. Reagan's quandary. The Russians were among the last to abandon Richard Nixon in the Watergate scandal.

At the same time, according to analysts of Soviet affairs, Mr. Gorbachev appeared to be doing very little to try to drive a wedge between Washington and its European allies. Moscow has lately been very frosty to Mr. Kohl, possibly in the hope of preventing his Christian Democrats from winning an absolute majority in the Bundestag next month. But the lukewarm reaction of Bonn, Paris and London to the prospects of an agreement abolishing both Soviet and American medium-range missiles in Europe has given Moscow frustratingly meager leverage.

The Europeans are not clamoring that Mr. Reagan strike a deal with the Russians. Rather, with a mixture of fascination and fear, they are transfixed by what a commentator in Le Monde described as another Washington drama turning on "the moralism — hypocritical or not, it doesn't matter — that governs American public life."

As they awaited the denouement, the allies took only small comfort in knowing that the scandal would probably make Washington less self-righteous in demanding that its allies take a tough line against states that foment terrorism. Some believed that in the future, there would probably be less scornful talk in Washington about "Euro-wimps."



# The World

## Aquino Drops Cabinet Member To Please Military

When Corazon C. Aquino ran for President of the Philippines a year ago, President Ferdinand E. Marcos advised her that a woman's place was in the bedroom. Last week, Mrs. Aquino took a moment from affairs of state — shaking up her Cabinet and consolidating support in the military — to return the slight. "It is not I," she said, "who have been consigned to the bedroom of history."

During nine months as President, Mrs. Aquino has survived persistent plotting by dissident military commanders; last month, she dismissed their putative leader, Defense Minister Juan Ponce Enrile.

The Chief of Staff, Gen. Fidel V. Ramos, said last week that he had supported Mrs. Aquino's decision to dismiss Mr. Enrile "to prevent the polarization of the country," which, he feared, "could lead to civil war."

Instead he endorsed the cease-fire with Communist guerrillas that is to start Wednesday "to give peace a chance." The Government is to begin negotiations in January with Muslim rebel leaders. On Mindanao island last week, the rebels were reported to have killed at least 11 people in an ambush of a logging truck.

General Ramos also said he had joined other commanders in urging

torious in the 1970's as the determined enemy of Jacobo Timerman, the founder of the newspaper La Opinión. The General accused Mr. Timerman of leading a Jewish plot to take over Argentina. In 1983, Mr. Timerman called the General "a lunatic, paranoid assassin who should be condemned by all of Argentine society." General Camps, who is undergoing treatment for cancer, did not appear in court for the sentencing, nor did the other officials.

The trials of the officials were ordered by President Raul Alfonsín, who in 1983 became the country's first civilian President in a decade. At that time he also ordered the prosecution on human rights charges of five generals and admirals who served in military juntas. They were subsequently convicted and sentenced to prison terms ranging from four years to life.

## Egypt Accuses 33 Of Plotting Coup

Since President Anwar el-Sadat was assassinated in 1981 by Islamic zealots, the Egyptian Government has carefully watched fundamentalist religious organizations such as Jihad, or Holy War. Last week, the nation's chief prosecutor accused 4 military officers and 29 civilians of plotting to overthrow the Government of President Hosni Mubarak.

The indictment was the first official mention of anti-Government activity in the military since the assassination. It said the accused men had formed an extremist Muslim organization financed, at least in part, by armed robberies and had planned "to call for holy war to overthrow the ruling system."

The indictment said the plotters had "founded, participated in and directed a group advocating opposition to the fundamental principles underlying the system of government," and that they "also urged hatred and contempt of this system and incited resistance to public authority." Some of the accused were said to have links to Jihad. Arrests were made in Cairo and elsewhere; four of the civilians accused were reported to be still at large at week's end.

The ranks of the military men who were accused were not disclosed, but a Government official said they were junior officers, none higher than a major, in the inactive reserve. Of the civilians accused, six were civil servants and two were university students. If convicted, the defendants could be sentenced to 25 years in prison.

## Pretoria Rejects Power-Sharing

Blacks and whites representing 35 groups in South Africa's Natal Province and the so-called black homeland of KwaZulu worked eight months to produce a proposal for regional power-sharing based on universal suffrage.

But the national Government in Pretoria took only two days last week to say no.

The idea "will lead to domination," presumably by blacks, said the Home Affairs Minister, Stoffel Botha.

Apparently fearful of a backlash at the polls by right-wing whites, the Government heeded to its hard line on several matters. It imposed new restrictions on the treasurer of the United Democratic Front, the leading nonparliamentary opposition group. And it detained 13 young whites active in a campaign against compulsory military service that had been showing results: 7,589 whites dodged the draft last year, compared to 1,600 in 1984, according to official figures.

Azhar Cachalia, the Democratic Front official, was detained for six weeks when the latest state of emergency was proclaimed June 12. Last week, he was barred from participating in protests in the Johannesburg area. The Government has accused front officials of treasonous associations with the African National Congress, an outlawed group seeking black rule. On the economic front, two more American companies said they were selling their South African holdings.

The Revlon Group Inc., which has been threatened with a boycott in the United States, said it would sell its South African factory next year. Honeywell Inc. also said it is selling its affiliate. Twenty-four American companies, including I.B.M. and General Motors, have made similar moves this year.

Milt Freudenheim  
and James F. Clarity

## Correction

A Tokyo dispatch in *The Week* in Review on Aug. 10 misstated the disposition of the case against Nobusuke Kishi, who was Commerce Minister in the Japanese Cabinet during World War II. Although imprisoned from 1945 to 1948 as a suspected war criminal, Mr. Kishi was never convicted.

## Voters in Brazil and Elsewhere Opt for the Center

# The Latin Left Is Free to Be Unpopular



Wellington Moreira Franco, a gubernatorial candidate, being carried by Communist supporters at rally in Rio de Janeiro last month.

By ALAN RIDING

IN the election campaign here last month, the tiny pro-Albanian Communist Party of Brazil mobilized its activists, waved its red flags and violated a good many Marxist-Leninist precepts in supporting Wellington Moreira Franco, the nominee of a right-of-center coalition. When he won, defeating two candidates long identified with socialist causes, the party was able to claim victory.

It was a triumph of opportunism over ideology. In the gubernatorial and Congressional elections

most of Latin America has been demonstrating its inability to take advantage of either the return of political freedoms or the economic crises that have convulsed the region for the last four years.

Explanations for this phenomenon vary. "Democracy is basically conservative because people identify the left with instability and agitation," one foreign diplomat said, arguing that in such countries as Brazil, Argentina and Uruguay, where leftist guerrilla activities either provoked or prolonged military intervention, voters fear a repetition of the cycle. Even in intellectual circles, though, the Castroite model of the 1960's appears to have lost much of its appeal.

Outside Central America, only three civilian-

run countries still have guerrilla movements, but in no case do they seem to enjoy widespread popular support. In Colombia, the largest and oldest of six armed groups, the Moscow-line Colombian Revolutionary Armed Forces, decided in 1984 to revise its strategy, accepting a cease-fire and running candidates in this year's general elections. In Peru, the Maoist Shining Path continues to cause havoc with its terrorist tactics, but it is viewed even by other Marxists as fanatical. In Ecuador, the Alfaro Vive group is still minuscule.

The nonviolent Marxist left, however, appears to be most weakened by its chronic internecine battles. In Peru, for example, where the United Left coalition is the country's second-largest political force, commentators said its candidate, Alfonso Barrantes Lingán, failed to win re-election as Mayor of Lima last month largely because he was undermined by warfare among leftist parties that were meant to be supporting him.

## Rightist Gains in Mexico

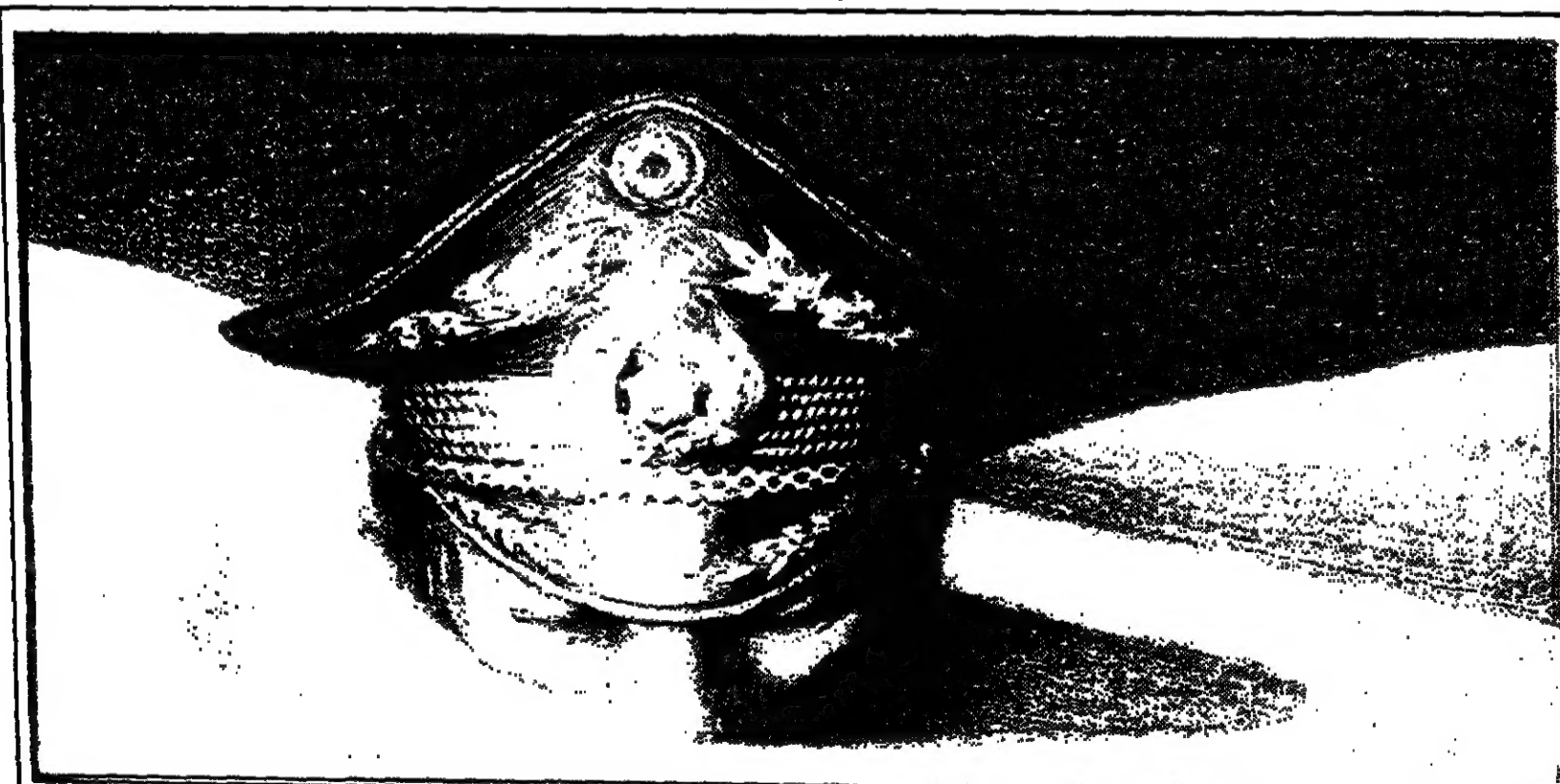
In Peru, as in other countries of the region, the blanket term leftist embraces those variously identified with the Soviet Union, Cuba, Albania and Maoist China as well as home-grown Marxists who have turned away from imported models toward less orthodox forms of socialism that have strong nationalistic contents. The politician most feared by conservatives in Brazil, for instance, is the outgoing Governor of Rio de Janeiro state, Leonel Brizola, who insists that he is a social democrat. Understandably, then, except in such rare cases as Uruguay's Broad Front, which includes most of the country's leftist factions, voters are often confused by the array of parties and messages.

The failure of the left to exploit an acute economic crisis, though, is best illustrated in Mexico, where disillusionment with the Government of President Miguel de la Madrid and with the long-ruling Institutional Revolutionary Party appears to be working exclusively in favor of the conservative National Action Party. And, as elsewhere, one factor appears to be the dizzying number of parties. A Unified Socialist Party pulled together several Marxist currents in 1981, but, with new factions appearing every year, there are still 11 identifiable leftist parties in Mexico.

Perhaps the only Latin American country in which the left is visibly growing is Chile, where guerrilla actions are expanding with the prolongation of the military dictatorship. This has enabled Gen. Augusto Pinochet to argue that he alone is preventing a return to the chaotic days of leftist rule that preceded his 1973 coup.

Yet if the experience of other Latin countries long governed by rightist generals is repeated when Chile returns to democracy, the pendulum might in fact stop somewhere in the middle.

## Washington Takes the Long View, Mutes Reaction



Steven G. Venezia

# In Bolivia, Only a Faint Hue and Cry Follows Cocaine Corruption Charge

By SHIRLEY CHRISTIAN

CORRUPTION by Government, military and police officials is an old story in Bolivia, which has long been a primary source of the world's cocaine. During previous administrations, notably the one headed by Gen. Luis García Meza in the early 1980's, the United States Embassy actively made public what it knew about the drug ties of Government and military officials. Washington saw no interest in maintaining the repressive García Meza Government.

Now, however, United States officials hesitate to draw attention to possible drug connections in some sectors of President Víctor Paz Estenssoro's year-old Government. They support his efforts to resolve longstanding economic and political woes. And the Government has cooperated in such enforcement efforts as the recently ended operation that used United States Army helicopters to go after cocaine processing plants and clandestine shipping points.

So when an officer of the Bolivian narcotics police accused some superiors of accepting payoffs from drug traffickers, the American reaction was low-key. The United States has tried to work quietly and gradually, seeking changes in police assignments and Government appointments on the theory that the Paz Estenssoro Government represents the best opportunity in years to achieve stability and democracy and, eventually, progress in stop-

ping drug exports.

The highest-level target of the accusations — which were made by Maj. Ciro Jijena, a respected officer and founding member of the American-trained Leopards, the special anti-drug force — was Interior Minister Fernando Barthelemy. Mr. Barthelemy, an important contact for the United States in Bolivian anti-drug operations, heads the ministry that directs the national police, the Leopards and other law-enforcement efforts.

Major Jijena, in secret testimony to a committee of the Bolivian Congress, said he had learned that protection money was collected in the Chapare region for Mr. Barthelemy and various police officials. The Chapare, an inhospitable rain forest in the province of Cochabamba, is the main growing area for coca leaves, the raw material of cocaine. Mr. Barthelemy has declined to comment on the charges, except to say that Major Jijena cannot prove them.

They were leaked to Bolivian newspapers, which published the text last month — accurately, people close to Major Jijena said. Leaders of the Congress have announced plans to question the major and Interior Minister.

## Visits from 'Gabriel'

Major Jijena, who is close to United States narcotics agents in Bolivia, testified that his former superior, Lieut. Col. Javier Quinteros, had told him that a man known as "Gabriel" regularly visited the Chapare region and collected drug protection money. The major said

he had been told that Gabriel "made the contacts with the Mafia," apparently a reference to drug traffickers, and "coordinated the protection with Colonel Quinteros."

The major also accused an army officer, identified as Col. Nano Martínez, of having provided protection for traffickers who flew to a place called Eterazama in the Chapare to pick up coca paste or leaves. American drug agents said in interviews during the summer that traffickers had offered \$25,000 to police or military officers for each time they landed and loaded a plane.

Major Jijena told the Bolivian congressional committee that after he learned of the links between officials in the region and drug traffickers, he sought to "isolate" himself from Colonel Quinteros and the colonel's aides, who "threatened me with death because I did not share with them in the work."

Major Jijena served in and around the Chapare from May through September, partly under Colonel Quinteros. When the colonel was reassigned to La Paz, Major Jijena succeeded him.

Ten days later, officials familiar with the workings of the drug police said, the major was abruptly pulled off the job because he was "too tough" on the traffickers.

Colonel Quinteros, meanwhile, is reported to have returned to his previous position on the staff of Vice President Julio Garret.

After his initial testimony was leaked to Bolivian newspapers, Major Jijena went into hiding, according to acquaintances who said they were concerned about his safety.

## Now, Tax Revision For the Japanese

The most sweeping overhaul of Japan's tax system since World War II was proposed last week by the country's ruling party. Prime Minister Yasuhiro Nakasone has made the plan one of his key objectives over the last several years.

The changes, similar to the extensive revisions adopted in the United States this year, are supposed to make Japan's tax system fairer, stimulate the nation's economy and help ease its huge budget deficit.

The plan may also help respond to appeals by the United States and other major trading partners for Japan to encourage domestic spending. Among the proposals are a cut in individual and corporate tax rates, a new value-added sales tax and the abolition of tax-free savings accounts.

In addition, the revision would impose a new 5 per cent sales tax and end the tax-free savings accounts known as "maruyū" by imposing a 20 per cent levy on interest earned from deposits. Elderly people and single-parent households would be exempted from the new tax on interest.

The proposed changes must be incorporated into legislation and passed by Japan's parliament. Though the plan still has opposition and some modifications are possible, the package is virtually assured of passage. It would be effective during the fiscal year beginning April 1, 1987.

## 5 Convictions In Argentina

The former police chief of Buenos Aires Province, Gen. Ramón Camps, was convicted last week of human rights crimes, including 73 counts of torture, and given a 25-year prison term. Four other former police officials were convicted on torture charges and sentenced to terms ranging from 4 to 23 years. Two officials were acquitted.

General Camps, the most prominent of the defendants, became po-



## New Wave of Sikh-Hindu Violence Has Gandhi Government on Crisis Footing

A Massacre  
Tears Open  
Old Wounds  
In India

By STEVEN R. WEISMAN

**F**OR the 75 people aboard Bus No. PJG 7284 in the northern Indian state of Punjab, the trouble started at dusk last Sunday when four young men began shouting slogans for an independent nation for Sikhs. It ended on a remote country road as they singled out passengers they believed to be Hindus and shot them dead. Killings by Sikh separatists in Punjab are reported almost daily. But the massacre of 22 people shocked the nation and raised fresh doubts about Prime Minister Rajiv Gandhi's strategy against terrorism. A wave of killings and clashes between the police and protesting mobs of Hindus and Sikhs ensued in New Delhi and elsewhere in northern India.

On Friday, seven more people were killed in sectarian violence in New Delhi.

A year ago, the Prime Minister could cite the Punjab as the source of his greatest triumph: an accord with moderate Sikh elders who represented the mainstream leadership there. Now the crisis has been revived. A newspaper cartoon showed a frantic Mr. Gandhi trying to placate a mob by searching for an answer inside an office cupboard, which was bare.

Government officials say they will try to keep the moderate Sikhs in power despite widespread calls for their ouster. At the same time, under mounting public pressure, the Government is using aggressive police tactics — including sweeping arrests and incarceration without trial — against young Sikhs suspected of terrorism. As the police became more combative, however, rounding up innocent and guilty alike, it became harder for moderates to side with the Government. Last week, Surjit Singh Barnala, the moderate Chief Minister of Punjab, came under heavy attack from fellow Sikhs for permitting the police to arrest hundreds of young people as well as two prominent elected officials.

Mr. Gandhi's aides fear that Mr. Barnala will fall and that the central Government will be pressured to take control of the state, as it did in 1983, using the army to enforce order. The risks of plunging Mr. Gandhi back into direct supervision would be great. There is also some question as to whether the army, in which Sikhs have long been prominent, could be counted on. After the army raided the holiest Sikh shrine, the Golden Temple at Amritsar, in 1984, more than 2,700 soldiers deserted and were court-martialed.

Furthermore, while the police have undoubtedly succeeded in arresting or killing terrorists, their tactics may be redoubling the cycle of vengeance. The Sikhs who murdered the bus passengers left a note saying they were retaliating for an earlier police shootout in which four Sikhs died. Police tactics do seem to have improved since the days of "fake encounters," when suspects were



Special Features/Sipa Press/Dieter Ludwig (massacre), Associated Press

shot and listed as having perished in clashes with the police. The authorities say they have managed to infiltrate some groups and acquire informants. Some Sikh separatist leaders have reportedly been executed by their own people for cooperating with the authorities.

In effect, a war of attrition is under way between the police and young extremists who have perhaps several thousand supporters. But many experts say the Government is deluding itself in dealing with the Punjab conflict as a law-and-order problem. They say it is multidimensional, driven by economic, political, generational, psychological and religious factors.

Sikh separatist violence has been spurred by widespread feelings of persecution and alienation arising from fears of being wiped out as a people and a religion.

Sikhs cite the 1884 raid on the Golden Temple and the riots after the assassination of Prime Minister Indira Gandhi, in which 2,500 Sikhs died. Sikhism, a 500-year-old militant and mystical offshoot of Islam and Hinduism, was once universally respected. Today, however, Sikhs are an object of increasing resentment and fear among many Hindu Indians, who are more frequently joining militant Hindu organizations and vowing to fight the Sikhs. Sikh extremists see themselves as holy warriors akin to the zealots in the Middle East or the Afghan guerrillas. Even the judges who last week upheld the death sentences of three Sikhs convicted in the assassination of Mrs. Gandhi noted that they had been motivated by the "highest and noblest impulses — loyalty to one's religion."

Massacre in  
The Punjab

Bodies of Hindu bus passengers killed by Sikh extremists in the state of Punjab last week; Hindus demonstrating in New Delhi in reaction to killings.

The police say that the Sikh extremists get aid from Pakistan, which borders the Indian state of Punjab. It is said that they can count on sanctuary, arms supplies and paramilitary training. Pakistan denies this.

Experts agree that the toughest thing to combat will be the spirit of martyrdom and sacrifice that has always made Sikhs valued members of the army and the police. Vengeance and retaliation have deep roots in Punjab, where blood feuds and have been common for centuries.

But India, with its many disparate ethnic, linguistic and religious groupings, sees itself as unable to give in to any group. Reiterating his rejection of Sikh demands for a separate nation, Mr. Gandhi said last week: "Whatever is necessary, however tough we have to be, however aggressive we have to be, we will have to prevent that."

## Casualties Mount as Syria Seeks to Hold Sway

Arafat Tries  
A Comeback  
In Lebanon

By JOHN KIFNER

**A**LL week, President Hafez al-Assad has been trying to get Damascus-based Palestinian guerrillas and the Lebanese leftist militias under his sway to stop killing each other in Lebanon and put an end to Yasir Arafat's military comeback.

Battles were raging around the Palestinians' decrepit shantytown districts of Sabra, Shatila and Burj al-Brajneh, on the southern edge of Beirut; Ain Khilwe, in Sidon, and Rashidiye near Tyre. Amal, the main Shiite Muslim militia, pounded away with artillery and Soviet-made T-54 tanks supplied for the purpose by the Syrians.

But Palestinian guerrillas, tempered by years of fighting in the rubble of Lebanon, stubbornly resisted. They captured the strategic Maghdush block — an area actually inhabited by Christians — overlooking the Sidon camps. In terms of military organization and experience, the Palestinians are rated as more effective than Amal by, among others, Israeli military experts.

The fighting, in this latest round in 11 years of civil war, has been bitter, even by Lebanese standards. More than 350 people have been killed since the end of September; 3,000 are homeless. Food, medicine and water are running low in the camps. Since Israel invaded Lebanon in the summer of 1982 to try to destroy the Palestinian guerrillas' political and military base — a virtual state within a state — and install a friendly Christian government, the sad, beautiful country has descended into a hellish free-for-all.

Last week in Damascus, Mr. Assad's Vice President, Abdel Halim Khaddam, who has sought to impose Syrian order on Lebanon for more than a decade, was joined by the visiting Libyan second-in-command, Maj. Abdul Salam Jalloud, in pressuring the Palestinian factions of the Damascus-based National Salvation Front. Any cease-fire agreement, they reportedly insisted, must include the elimination of all forces in Lebanon loyal to Mr. Arafat. But the most important faction in Damascus, Dr. George Habash's Popular Front for the Liberation of Palestine, refused, along with others, Palestinians here said. "They cannot agree," they said, "because it would mean a Palestinian civil war."

In the fighting, all guerrilla factions in the camps, including the Habash group, the Marxist Democratic Front for the Liberation of Palestine, the renegade Abu Nidal faction and Mr. Arafat's direct rivals, the Fatah rebels led by Col. Saad Musa and supported by Syria, have been fighting together against the Shiites. It is this enforced unity, together with what Palestinians believe is Syrian weakness because of economic and international difficulties, that gives credibility to Mr. Arafat's hopes.

To Mr. Arafat, the re-establishment of his military and political base in Lebanon is as crucial as it is onerous to Amal, which sees it as threatening Shiite power and



raising the risk of Israeli attacks. It is not so much the proximity of Israel as a target for guerrilla raids that is at stake for Mr. Arafat as it is his ability to maneuver in the Arab world.

Since the Israelis destroyed what was sometimes called the "Fatah Republic" in Beirut, his influence has increasingly declined. His year-long peace effort with King Hussein of Jordan fell apart in February. Mr. Arafat's offices in Jordan were closed, and his military aide, Khalil al-Wazil, also known as Abu Jihad, was ousted. Even Tunisia has indicated that his headquarters there is now unwelcome.

Over the last year, Mr. Arafat and other guerrilla factions have been infiltrating men and weapons through Lebanon's porous borders, attempting to rebuild their old bases. Their main stronghold is in Sidon's Ain Hilwe camp. They have had a working alliance there with the leader of the main militia, Mustapha Saad, a Sunni Muslim, which gives them access to the port for unloading weapons and supplies.

In recent days — and with apparent sympathy from Moscow — there have been meetings aimed at reconciling the Palestinian factions. At the sessions were Abu Jihad and Dr. Habash, who has the support of the Democratic Front, an important faction led by Nayef Hawatmeh. And last week, at ceremonies in Algiers, Abu Jihad of el Fatah yielded the position of representing the Palestinians to Dr. Habash, as a gesture of unity.

## Fertility Trends Threaten the Ethnic Balance

Singapore Decides It Wants  
Lots of Children, After All

By NICHOLAS D. KRISTOF

**L**IKE many developing countries, Singapore in the early 1970's instituted population control. "Boy or girl, two is enough!" was the slogan, and officials warned that the island country would run out of room if population growth was not curbed. Now they say the policy may have succeeded too well.

Singapore has become one of the first countries outside the industrialized world whose birth rate has declined below replacement levels. In reaction to that development, it appears to be the first to switch from officially discouraging large families to actively promoting them. "People may laugh and say, 'Ha, ha, look at what Singapore is doing now,'" said Yeo Cheow Tung, Minister of State for Health, "but when we look at the data, it's a horrendous problem. And it's the role of a responsible government to plan for the future."

The little city-state of 2.5 million people is often admired — or ridiculed — because of the extent to which it tries to plan ahead. In many respects, it has been wildly successful: An island with no natural resources has in one generation become wealthier, as measured by per capita income, than Ireland, Spain or Israel. Visitors sometimes complain, however, that Singaporeans are too docile and obedient to the wishes of the Government.

The campaign to increase the birth rate is likely to provide a new test of their obedience. Young people seem less inclined than their parents to bend their personal lives to Government decree. "Whether I have two kids or three kids doesn't depend on what the Government says," said Cora De Conceicao, a restaurateur who is engaged to be married soon. "It depends on whether I can continue with my career. That is the general consensus of couples nowadays." Another young woman, a civil ser-

vant, was even more blunt: "Having babies is a nuisance," she said. "You want to buy a new pair of shoes or a new gown, and instead you have to save money for a child." Reflecting such attitudes, the reproduction rate has plunged. In 1957, women had an average of 6.4 children; in 1970, 3.1, and last year, just 1.6 — well under the 2-plus rate necessary to keep the population stable.

The country is still growing because most people are young and in their reproductive years. But at present rates, the population will reach a peak early in the next century, then shrink rapidly as the young people of today die, leaving fewer descendants. The Government of Prime Minister Lee Kuan Yew warns that this would hamper the country's defenses. Moreover, a much smaller number of wage-earners would be available to support those who have retired.

## A Role for Matchmakers

The campaign does not mention it, but fertility levels differ by ethnic group. The reproductive rate of the dominant Chinese, 77 percent of the population, is well below replacement level. Indians, a 6 percent minority, are slightly below replacement level, and Malays, who account for 15 percent of the population, are a bit above it. The present trend, if continued, would reduce Chinese dominance and increase the proportion of Malays. Mr. Yeo, who, like most officials, is Chinese, acknowledged the ethnic factor but said this was of secondary importance. All families, not just ethnic Chinese, are being encouraged to have more children, he said.

The campaign involves several approaches. It is playing a well-publicized role as matchmaker for high school and college graduates. Matchmaking agencies run parties, dances and weekend retreats in the hope of finding spouses for the large number of college-educated women who remain unmarried, a higher proportion than in the United States, officials say.

Economic incentives also may be tried. The tax system was amended in the 1970's to discourage large families, abortion was legalized and contraceptives made available. Now tax penalties will probably be removed and abortion may be curtailed. And Government housing can be arranged so that parents can live near their adult children, making it easier for grandparents to care for infants during the day.

Singapore and similar rapidly developing countries face some of the same economic problems as the United States, where fertility is below replacement levels but high immigration keeps the population rising. Taiwan, South Korea and other rapidly industrializing countries may also have to encourage population growth. Fertility rates in Singapore sank below the replacement level in 1975, although this attracted little attention at first. In Taiwan, the rates fell to replacement level this year and South Korea is about to be in the same position.

Singapore officials cite surveys suggesting that women still would like to have two or three children, if it were not for the inconvenience and the effect on their careers. The Government hopes that, by reducing these obstacles, Singapore's efforts will succeed where Western countries have failed. "If we can reverse the fertility decline," said Paul Cheung, a demographer at the National University of Singapore, "we'll be the first country to do so."



Infants being fed at a nursery in Singapore.



# The Nation



Associated Press  
H. Ross Perot in Dallas last week.

## Cast Out by G.M., Perot Still Has A Word to Say

It would make a great movie: Brash billionaire meets corporate giant and shakes up staid boardrooms with a clarion call to "get competitive." But Hollywood might want to change the ending.

Last week the giant, General Motors Corporation, got rid of the billionaire, H. Ross Perot, and three of his associates. The company paid them \$750 million, double the market value of their stock, at a time of slumping sales and production, plant closings, layoffs and deep cuts in capital spending.

Mr. Perot referred to it as "hush-mail" and put the money into escrow to let the directors reconsider whether the buyout was "the highest and best use of G.M.'s capital." G.M. replied that the matter was closed and that it was worth the money to

dispense with its largest stockholder and most vocal critic.

Beginning last summer, Mr. Perot repeatedly and publicly urged G.M. to make haste in cutting costs and developing new car models. He accused its management of being cushioned in perquisites and isolated from "the real places where people are doing the real work."

Two years ago the G.M. chairman, Roger B. Smith, made a point of welcoming Mr. Perot's vision of a sharp and streamlined corporation. Mr. Smith had committed himself and the company to a revolutionary plunge into high technology, and he wanted Mr. Perot's computer services company, the Electronic Data Systems Corporation, to provide entrepreneurial spirit as well as software. The purchase agreement gave E.D.S. "substantial independence" within G.M.; it even created a separate class of G.M. stock.

This meant E.D.S. essentially had its own profits to make. There were sharp conflicts — still unresolved — over how much it was charging to unify the corporation's huge, fragmented data-processing operations. Last month the American Telephone and Telegraph Company disclosed that G.M. had made an unsuccessful move to sell it at least part of E.D.S. Some auto industry analysts suggested that the talks were prompted by a disillusioned Mr. Perot.

Tomorrow, Mr. Perot is to give a long-scheduled speech at the Detroit Economic Club; Mr. Smith is to introduce him. More than 6,000 tickets have been sold, even though the buyout agreement forbids Mr. Perot to criticize G.M. publicly.

## E.P.A. Sent Back To the Calculator

On gasoline conservation as on many other matters, the Reagan Administration has long argued that the marketplace, not the Government, should set standards. Last

week, a Federal appeals court panel in Washington disagreed, holding that the Environmental Protection Agency erred last year when it retroactively changed fuel efficiency formulas in a way proposed by the Ford Motor Company and General Motors Corporation.

The ruling, the first resulting from six court challenges of various Administration moves to relax fuel economy standards, could cost the nation's two largest car makers \$300 million. The formula revision, brought Ford and General Motors higher fuel economy ratings and a parallel reduction in penalties for not meeting the standards.

The three-judge panel for the United States Court of Appeals ordered the environmental agency to recalculate fuel economy ratings for the model years 1980 through 1984. The Center for Auto Safety, a consumer group based in Washington, and Public Citizen, a public advocacy group, had charged in the suit that the agency's new formula was skewed to give cars higher mileage ratings.

## Chicago Politics: A Guessing Game

The official Republican nominee for Mayor is a Democrat who says he is bipartisan. The Mayor, who won as a Democrat three years ago, will run but may do so as an independent. The county chairman of the Democratic Party may do the same.

Even for Chicago, this is not typical party-line politics.

Harold Washington, the city's first black Mayor, has said he intends to seek re-election to a second term. The Cook County party chairman, Edward R. Vrdolyak, an implacable foe of the Mayor, declared his candidacy Thursday. But each of them, hoping to keep the other guessing, is circulating dual nominating petitions, one for the Democratic primary Feb. 24 and one for an independent's line on the April 7 general election ballot.

Mr. Washington is trying to create — and Mr. Vrdolyak to avert — a three-way race, since the blacks who account for 40 percent of the Chicago population overwhelmingly support the Mayor. Former Mayor Jane M. Byrne, who has been running for more than a year (as a Democrat), won endorsements last week from three prominent ward leaders.

The Democratic Republican candidate is Donald Haider, a business professor who was Mayor Byrne's budget director. A search committee named him after two Republicans —

Daniel K. Webb, a former United States Attorney, and Richard B. Ogilvie, a popular former Governor — declined to run. Among Republicans who had no such qualms is the party's 1983 candidate, Bernard Epton, who lost to Mr. Washington.

## Fixing the Fees Of Doctors, Too

Though the fiscal effects of the Reagan Administration's program of flat fees for Medicare payments to hospitals is clear — health care costs are increasing less rapidly than they have for 20 years — the impact on the quality of care for the elderly and disabled is a matter of growing debate. Now White House officials are considering going a step further.

The Office of Management and Budget wants to consolidate hospital and physician payments into a fixed amount, set in advance, for each type of diagnosis, regardless of how long a Medicare patient is hospitalized, how many services are required or how many doctors are involved. Budget officials say the proposal would save at least \$500 million in the fiscal year beginning Oct. 1, 1987. Doctors, the officials contend, would no longer have an incentive to increase the volume of services they give Medicare patients, as they began to do two years ago when their fees were frozen by Congress.

Federal health care officials and the American Medical Association oppose the plan. The system would be difficult to administer, said Dr. James H. Sammons, executive vice president of the association, and would "interfere with patient care."

## A Partial Victory In a Wiretap Case

Last week's Federal appeals court rulings in two wiretap cases do not appear to have substantially changed or clarified what officials may legally do in the name of national security, and they provided only partial victory for only one of the plaintiffs. But they added substantially to the cases' dramatic background.

Three high officials of the Nixon Administration — Henry A. Kissinger, H. R. Haldeman and John N. Mitchell — must now go to trial in a 14-year-old lawsuit against them by Morton Halperin. The former National Security Council aide is asking for damages in the warrantless tapping of his home telephone for 21 months from 1969 to 1971.

The three-judge panel found that Mr. Halperin is entitled to a trial on his claim that the "putative national security justification" was a "pretext" for continuing to tap his telephone, even though there was no evidence to confirm the officials' initial suspicion that he was the source of disclosures.

But in another case, the panel of judges threw out a decade-old damage claim against those three officials and others by a newspaper reporter, Hedrick Smith of The New York Times, who claimed damages for the illegal tapping of his home telephone for 89 days in 1969. The panel held that the defendants could reasonably have believed in 1969 that the need to find the sources of disclosures legally justified the war-

rentless tapping of reporters' and officials' telephones. Such wiretaps would be illegal today.

## 38,500,000 To Go

After two lawsuits by former President Nixon and one by 29 of his White House aides, Government archivists were not holding their breath Monday morning. But the first 1.5 million among 40 million pages of documents from the Nixon Presidency were made public without a hitch by the Nixon Presidential Materials Project at the National Archives. The carefully selected ration, reviewed by Mr. Nixon's lawyers, contained little to surprise.

Martha A. Miles  
and Caroline Rand Herron



The New York Times/Paul Heston  
Boxes containing documents from Nixon Presidency at the National Archives.

## Technical Guidelines Are the Next Step

# Testing Plan Indicates Reagan's 'Outrage' Over Drug Abuse

By ROBERT PEAR

WASHINGTON  
THE Reagan Administration is forging ahead with its plan for random drug tests on Federal employees even as another judge ruled it unconstitutional for the Government to test people who were not suspected of using drugs.

The testing program has come to overshadow other elements of President Reagan's extensive program to achieve a "drug-free Federal workplace." Some conservatives in the Government, as well as many civil libertarians, have called it overly intrusive.

But the Administration's strong commitment to testing reflects the depth of its concern about drug abuse. Mr. Reagan and Attorney General Edwin Meese 3d "have been driven to the point of outrage by liberal indifference to drug abuse," said a Presidential appointee who heads a medium-size agency.

Last week the Federal Aviation Administration made a tentative proposal for drug testing of private pilots, airline flight crews and aviation mechanics. Separate rules requiring annual testing of F.A.A. employees take effect early next year.

Constance Horner, director of the Office of Personnel Management, issued guidelines for the testing of Federal employees last weekend. The Secretary of Health and Human Services, Dr. Otis R. Bowen, must now issue technical guidelines for urinalysis, a challenging task in light of reports that some tests are inaccurate.

Agency heads must then select the job groups to be tested. This, too, will be troublesome. President Reagan ordered Sept. 15 that every Federal agency "establish a



Federal District Judge Robert F. Collins

program to test for the use of illegal drugs by employees in sensitive positions," including law-enforcement officers, Presidential appointees and workers with access to classified information. Half of the Government's 2.2 million civilian employees hold "sensitive positions" and could, in theory, be required to undergo testing. But the number of people actually tested is likely to be much smaller. Agencies must bear the estimated \$36 million cost of the tests and of rehabilitation programs.

The penalties in Mrs. Horner's guidelines reflect Mr. Meese's strict antidrug policies rather than the therapeutic approach favored by several other Cabinet members. After "the first confirmed determination that an employee uses illegal drugs," the guidelines say, agencies are required to take disciplinary action that may range from a reprimand to dismissal. Dismissal is required if a second test is confirmed as positive.

## Judge Halts Drug Tests

Meanwhile, a Federal district judge in Savannah, Ga., issued a preliminary injunction last week that blocked a random drug testing program very similar to that contemplated under the Reagan order. The plaintiffs in the case were civilian police officers at Fort Stewart, an Army installation. Judge B. Avant Edenfield said random urinalysis, in the absence of "individualized suspicion," violated the Fourth Amendment to the Constitution, which bars unreasonable searches and seizures.

For similar reasons, Federal District Judge Robert F. Collins in New Orleans stopped an antidrug program in which the United States Customs Service tested people who were either hired for or promoted to positions as customs agents, inspectors and investigators. The Government is appealing the Nov. 12 ruling. Judge Collins

threatened last week to hold the Commissioner of the Customs Service, William von Raab, in contempt of court because of a letter the agency sent a job applicant on Nov. 18. The letter said that people tentatively selected as customs inspectors must "undergo urinalysis."

These rulings do not directly affect drug testing under the President's order, which has been challenged by the National Treasury Employees Union in a separate case before Judge Collins. Justice Department lawyers contend that urinalysis of Federal employees is not a search under the Fourth Amendment. Rather, they say, it is a test to determine a person's "fitness for duty," like a physical examination or a background investigation.

But many civil servants find the prospect of drug testing offensive. Brenda J. Sanders, a Treasury Department employee who reviews claims for United States savings bonds, said: "I have worked for the Government 23 years, and I don't have a blot on my record. I have never taken illegal drugs. I highly resent being classed with drug addicts of the world."

Margaret L. Thompson, a lawyer with the Environmental Protection Agency in New York City, said: "My personal sense of privacy would be deeply violated if the Government goes ahead with a mandatory drug testing program without probable cause. When I was hired for this job, off-campus conduct was never mentioned as a condition of employment."

LeRoy J. Robertson, a senior inspector with the Customs Service in New Orleans, who has worked 16 years for the Government, said random urinalysis was "degrading." He added: "I don't want my rights trampled because of mass hysteria over the drug problem. The prospect of having to urinate into a test tube, perhaps in front of another person, is a little unsettling."

## Research on the Radiation Danger Is Not Going Well

# The N.R.C. Struggles to Fill a New Role in a Changed World

By MATTHEW L. WALD

EVER since the Three Mile Island accident, the nuclear industry has been pointing to a silver lining in the fallout: Very little radiation escaped from the building, even though the accident destroyed most of the power plant's nuclear core.

In computer-simulation experiments over the last four years, the Nuclear Regulatory Commission has been trying to demonstrate that relatively little radiation would escape in any accident. But the study has recently drawn heavy criticism, even from within the agency.

The study has become very important to the industry because it could provide a technical basis for shrinking the present 10-mile radius of the emergency zone around each plant. Two newly completed plants — Shoreham on Long Island and Seabrook, near the Massachusetts border in New Hampshire — cannot open because some officials refused to take part in emergency drills. Seabrook, in particular, might be able to get an operating license if its emergency zone excluded the Massachusetts towns where opposition is centered.

The commission decided to require all plants to develop and test evacuation plans after the Three Mile Island accident in March 1979. The 10-mile radius was set because an older study suggested that the risk of lethal radiation, always low, dropped off sharply at 10 miles.

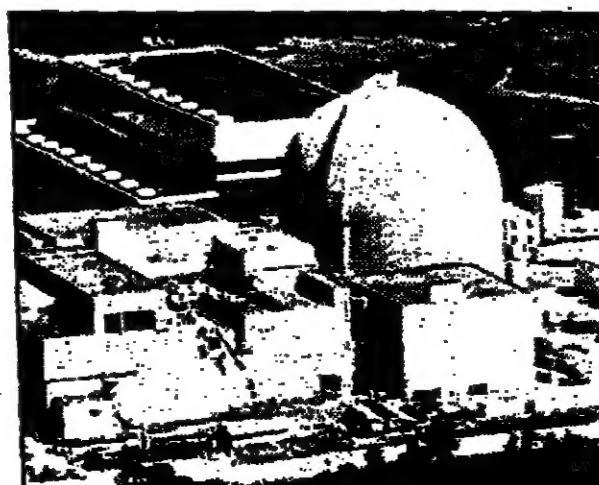
In a preliminary report on the new radiation study,

the deputy director of research, Denwood Ross, said recently that some people living near reactors would not have to leave during an accident: "Maybe some would just need to close their windows or go in the basement."

But the research to prove that such a plan would be safe is not going well. In an internal memo in April, released last month, the commission's executive director for operations described gaps in the regulators' knowledge and in their research program. "Even with the knowledge gained from the four years of intense focused research to date," said the official, Victor Steffen Jr., the agency "may not be able to provide a satisfactory reduction of these uncertainties with existing resources." The memo noted that spending for research has been cut.

A report to Congress last year from the Advisory Committee on Reactor Safeguards, outside experts retained by the commission to oversee some activities, was more blunt. The committee complained that the research effort lacked focus: "We are faced with a program of proposed research that we might describe by saying, 'The research program will have produced a lot of useful information concerning severe accident phenomena by the end of FY 1985; beginning in FY 1986, there will be a start toward repeating the program, but this time it will be done better.'"

At the Union of Concerned Scientists, Robert Pollard, an engineer and former member of the commission's staff, said, "These experiments are not for the purpose of expanding safety but for relaxing existing re-



The New York Times/John Cole  
The Seabrook nuclear power plant in New Hampshire.

quirements." The research has gone slowly, he said, because the staff keeps finding accident possibilities no one had thought of before, or gets results that do not justify shrinking the zones.

More directly related to safety, he suggested, was a

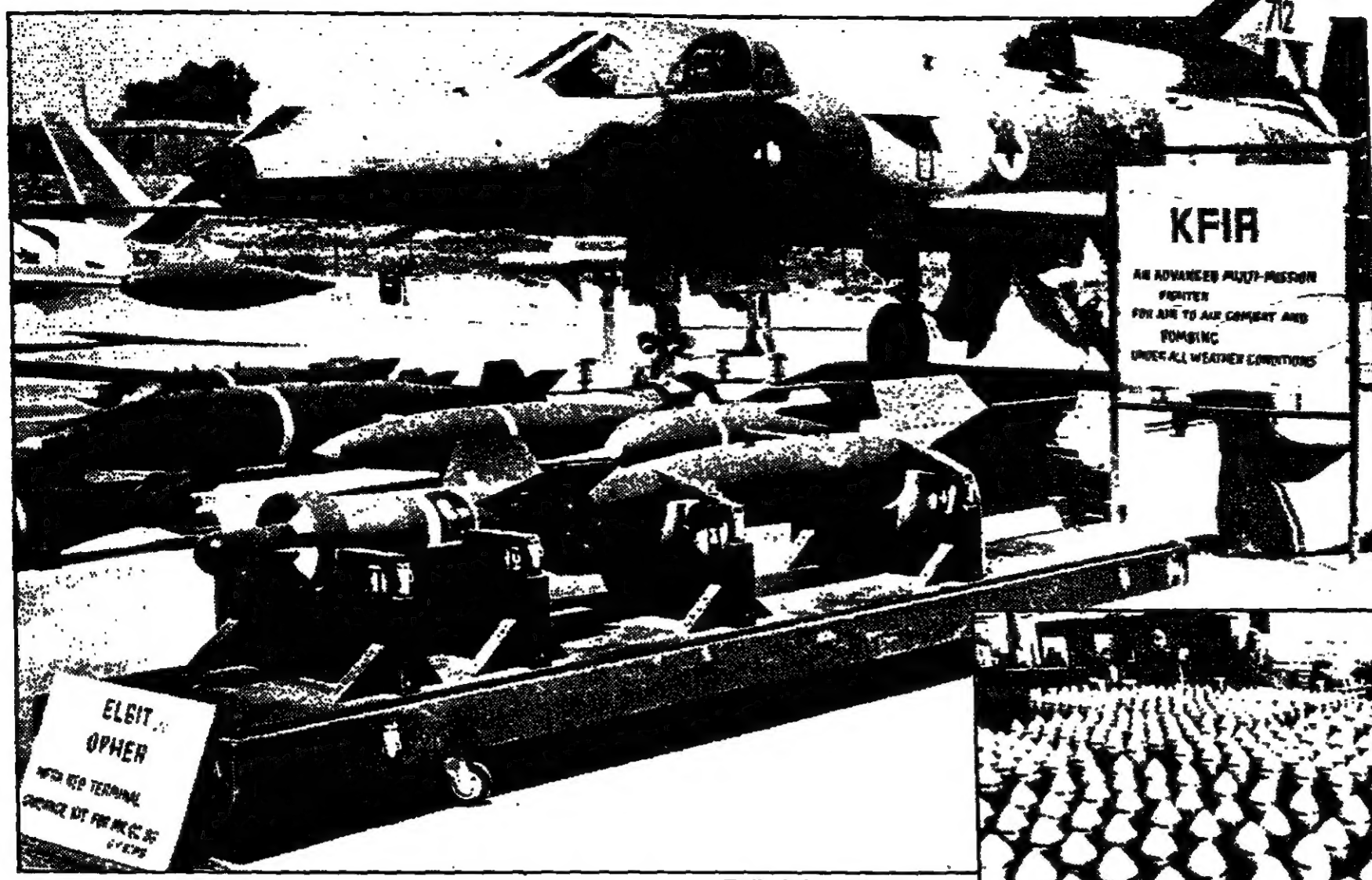
\$3.5 million reduction in funds for research on reactors by Babcock & Wilcox, the maker of the Three Mile Island plants. Mishaps at three other such plants indicate that they are "significantly more sensitive to system upsets" than other reactor designs, according to Mr. Steffen, but the commission's computers "have a limited ability to predict the outcome" of equipment failures in those plants.

Such studies are very different from the role originally envisioned for the Nuclear Regulatory Commission. As recently as the early 1970's, it was expected that 1,000 reactors would be built by the turn of the century and that the staff would continually be engaged in approving sites and designs. But no new plants have been ordered since 1978; those ordered in the mid-1970's have all been canceled, so that even the business of supervising construction is winding down. The regulators' main job now is to check up on a hundred operating plants.

Prompted partly by the Chernobyl accident and partly by distrust of the commission, some states are attempting to gain more control over the nuclear industry, which has been regulated solely at the Federal level. Gov. Michael S. Dukakis of Massachusetts complained to a House subcommittee last month that he had authority "over every conceivable form of generation of electricity, with the exception of nuclear." "I suppose we can all understand the reason historically," which was the technology's early link to vital defense secrets, he said, "but it seems to me to no longer obtain."



# How Israel's Economy Got Hooked On Selling Arms Abroad



For sale: Israel's Kfir jet, missiles and, on right, ammunition.

The New York Times/Micha Bar-Am

By THOMAS L. FRIEDMAN

TEL AVIV

SAIAH hoped it would be different.

The day would come, he prophesied, when Israel could beat its swords into plowshares and its spears into pruning hooks. True, Israel today produces more than its share of plows and pruning hooks — but it produces even more swords and spears in the form of tanks, fighter jets, rockets, machine guns and military advisers.

No one here likes to talk about it, but Israel, with only 4 million people, has become one of the top ten arms exporters in the world and Israeli businessmen are among the world's leading arms merchants. Israel competes head-to-head with such major industrial powers as Britain, France, Brazil and West Germany.

Although the continuing furor over the Iranian gun-for-hostages affair has brought Israel's role as global arms supplier into rare public view, it revealed only a tiny slice of Israel's overall weapons trade. Defense Ministry sources estimate that Israel exports \$1.2 billion in arms and security services each year — more than a quarter of its total industrial exports. Roughly \$500 million worth is shipped to the United States.

A quick glance across the globe finds Israeli advisers training and arming elite troops in Cameroon and Zaire, Israeli Kfir fighter jets being flown by the Ecuadorian air force, Israeli-made patrol boats guarding the shores of Sri Lanka, and Israeli cannon fitted to upgraded Chinese tanks. The rebel forces in Nicaragua have Israeli-made weapons, as do the regular armies of Honduras, Argentina, South Africa, Chile, Belgium, Holland, Kenya, Singapore, Malaysia, Taiwan and Thailand — to name but a few.

Israeli-made security systems guard oil reserves in Australia, army bases in Taiwan and industrial plants in Korea. Even England's Buckingham Palace is protected by an Israeli-made security fence.

Much of the Israeli arms industry is Government-owned, and exact financial data are secret. But according to widely-used estimates, as many as 140,000 Israelis — 10 percent of the work force — are involved in manufacturing or selling military hardware.

"Israeli arms manufacturers have reached such a level of production and importance within the Israeli economy that exporting weapons has become an economic imperative," observed Aaron S. Klieman, a Tel Aviv University political scientist who is Israel's leading expert on arms sales.

That is especially true, Professor Klieman added, now that cuts in the Ministry of Defense's budget have

sharply reduced its orders to domestic arms manufacturers. "This has left Israeli arms producers with no choice but to look abroad if they hope to maintain anything close to full production or full employment," he said.

But economic necessities can make for diplomatic virtues. The Israeli arms sales to Iran are only the latest example of how Israel can use military exports to establish contacts with regimes that would otherwise shun the Jewish state. Like it or not, say Israeli military experts, arms sales are now an integral tool of Israeli foreign policy.

"Were Israeli defense marketing strategies to fail, it would have a profound impact on Israeli security, economic viability and diplomacy," noted Professor Klieman. "Arms sales in the 1980's are a strategic national commitment for Israel."

Such statements embarrass many Israelis. The idea that the Jewish state should be so dependent on weapons sales for its economic or diplomatic survival is profoundly troubling to some people here, clashing with both their self-image and their vision of the Zionist utopia.

But many others, the so-called "realists," counter that arms sales are a fact of life for all nation-states, but especially for an Israeli society that has always lived close to the edge. If Israel did not sell arms, others would, and Jerusalem would be deprived of the economic and strategic benefits such sales bring, without having changed the world a whit. Anyway, the realists argue, survival is as much a moral imperative as nonviolence: better a tarnished utopia than a dead dream.

During a recent Knesset debate about arms sales to Iran, these two schools clashed head on. Rabbi Menachem Hacohen of the Labor Party put the moral argument succinctly when he declared on the parliament floor: "Israel should revert to its normal size and avoid involvement in the sale of arms to corrupt regimes. Can the Jewish state afford to supply weapons for dark and deadly purposes?"

Pessah Gruper, a Likud Party member, shot back: "Let's get off the subject of arms to Iran. There are more important things to talk about than ethics and ideology. When a country lives in a state of war, you can't tell the Government to be choosy about its arms transactions."

For the foreseeable future, Mr. Gruper's arguments will carry the day. A quick look at the circumstances that gave birth to the Israeli arms industry makes that clear. Israelis actually went into the arms business in the mid-1940's, during the pre-Independence period, when a weapons embargo was in effect and the incipient Jewish army was badly in need of light arms and explosives. It was a shortage of arms, not of fighters, that almost cost the Jews their state — something that has never been forgotten here.

After the War of Independence, then-Prime Minister David Ben-Gurion vowed never again to be so vulnerable, and he consolidated the nation's scattered and unsophisticated weapons factories into a single industry, which was soon manufacturing small arms — most notably the Uzi submachine gun — producing mortars and ammunition, overhauling and upgrading tanks and aircraft and developing some electronic systems.

One of the first and most controversial foreign sales was Mr. Ben-Gurion's secret 1959 decision to sell 250,000 Israeli-made mortar shells to — of all places — West Germany. Mr. Ben-Gurion later justified the sale to the cabinet, saying that Israel will "sell arms to foreign countries in all cases in which the Ministry of Foreign Affairs has no objection."

Even then, noted Professor Klieman, the sale followed a pattern that has continued right up through the recent Iran affair: Decisions were reached at a secret sub-cabinet level; the Defense Ministry, as opposed to the Foreign Ministry, dominated decision-making; and there was no comprehensive policy, only a case-by-case approach based upon a predisposition to sell.

By the late 1950's the three major elements of Israel's Government-owned arms industry were in place: Israel Military Industries (I.M.I.), specializing in small arms, artillery and ammunition; Israel Aircraft Industries (I.A.I.), specializing in aircraft, missiles and naval vessels; and the Rafael Armament Development Authority, specializing in research and development and in missile systems.

Later, these giants spawned a network of smaller, privately owned high-tech military and electronics firms, such as Tadiran, El-Op, Elbit, Elisra and scores of others — some of them publicly traded — listed in a Government-published, 314-page Israel Defense Sales Directory. Exactly how much of their business is from arms sales can not be determined, since most of these companies manufacture a wide range of electronic products.

Many of these companies owe their real expansion to the years after the 1967 war. No one did more, while trying to do less, for Israel's arms industry than Charles de Gaulle, the former president of France, which had been Israel's main arms supplier. In the wake of the 1967 war, Mr. de Gaulle abruptly cut military ties with Israel and imposed an immediate embargo — even for products already bought and paid for.

The net effect was that Israel's military industries

# The Economy

quadrupled their output during the three years immediately after 1967, as the Government vowed to make at least one of each major weapons system. The result was the Kfir fighter jet — built, ironically, with plans of the French Mirage III stolen by Israeli secret service agents — the Merkava tank and the Saar III navy patrol boat.

During the 1970's and 1980's, the Israeli weapons and security industry continued to expand in size and sophistication into one of the biggest employers in Israel. The foreign buyers became crucial in the 1970's, a defense industry official explained, "because as we started to produce more sophisticated weapons systems, the development costs became more and more expensive. It might cost IAI, for example, \$50 million to develop a missile, but we, with our limited demand, could only buy \$20 million worth. This made for very high average costs per unit. Exports enabled us to achieve the economies of scale so that we could buy the same product at a lower average price."

David Ivri, the director general of the Israeli Ministry of Defense, said there are several factors explaining Israel's ability to compete with much larger nations in arms sales.

First, whether it is a simple mortar made by Soltam Ltd. or a sophisticated electronic warfare jamming system sold by Tadiran, Israeli salesmen can offer state-of-the-art technology stamped with the military equivalent of Babe Ruth's signature on a Louisville Slugger: "Tested in battle by the Israeli army." At times, Israeli arms manufacturers will sell a product at a loss to the Israeli army or air force, simply to gain the endorsement for overseas markets.

"We have a lot of advantages reputation-wise," said Mr. Ivri, "but you still have to offer competitive prices."

Second, although Israeli arms manufacturers may actually have less sophisticated technology over all than France or Japan, those countries don't have an army, navy and air force faced with complex day-to-day operational needs on an actual battlefield.

The combination of the Israeli army's diverse demands and the Israeli arms industry's high level of technology creates a very powerful synergism, producing highly innovative weapons systems that might not occur to other manufacturers. The small pilotless planes Israel uses to gather battlefield intelligence are one example. Then, too, many a product idea is born of the reserve-duty requirement, which mandate that every male Israeli, including defense industry engineers, spend at least 30 days a year in the army until age 55.

But Israel's arms trade is more than a business. For years, Israel has practiced a kind of "Uzi Diplomacy," using its military exports and training capabilities to open covert relations with regimes that would otherwise refuse diplomatic contacts — such as Iran, China, Morocco and Ethiopia — or regimes that are such pariahs that they will forge closer-than-normal ties with Israel in order to acquire arms — such as South Africa, Taiwan, Chile, Paraguay, Argentina and El Salvador. Protecting

## Weapons exports make many uneasy, but they sustain the tiny nation's vital defense industry.

Jews in these countries may also be a factor in the decision to sell weapons to their governments.

While Israeli arms exports were a nice way to win friends and gain economies of scale in the 1970's, they are now a matter of economic life and death. The change began in 1983, when the Ministry of Defense, forced to economize, cut back long-term contracts to Israeli companies. During the last three years the military budget, exclusive of American aid, has been slashed by \$800 million.

Existing contracts that carried the Israeli manufacturers to 1985-86, are now expiring and there is little new work to replace them. In 1983, I.M.I. got roughly 50 percent of its business from the Ministry of Defense, and 50 percent from exports. Today, 20 percent of its business comes from the Government, and the remaining 80 percent from overseas. A similar situation exists at Rafael and I.A.I., which had \$40 million profits on \$1.1 billion sales for fiscal year 1985. I.A.I., the only one of the three to produce an annual report available to the public, got about 60 percent of its business from exports last year.

Because the major military industries are all Government-owned firms, they cannot afford to lay off too many employees without creating a political crisis. For almost a year the Israeli cabinet has been trying to avoid a decision to close the Bet Shemesh jet engine factory, where there are only a few hundred jobs.

## WEEK IN BUSINESS

# Japan Maps a Plan To Alter Tax Laws

Japan plans to overhaul its tax system as a means of spurring its economy. Among the changes, which take some cues from the United States tax bill, are tax cuts for individuals and businesses, abolition of tax-free savings accounts and a new sales tax. The moves, which have been in the works for some time, are mostly at the behest of Prime Minister Yasuhiro Nakasone, who has been under pressure for years to balance his nation's needs with those of its trading partners.

The moves are intended to encourage Japanese consumers and businesses to spend more, preferably at home. That, officials hope, will help Japan reduce its trade surplus, and its budget deficit. But critics say the tax cut and new taxes will cancel each other out. And although Mr. Nakasone and the ruling party are behind the bill, it faces stiff opposition from consumers and businesses.

Leading indicators spurted six-tenths of 1 percent in October, a gain that ordinarily would have analysts painting a rosy picture of the economy. But the analysts were wary of the poor numbers in manufacturing and industry. Indeed, current indicators seemed to bear out the gloom: Factory orders slumped 3.6 percent in October, the biggest drop in more than six years. Orders had shown a sharp increase in September.



Yasuhiro Nakasone

Sales of new homes dropped 9.6 percent in October, the sixth drop in seven months. ... Unemployment held steady at 6.9 percent overall in November. ... Construction spending rose 1.6 percent in October, a more encouraging sign. ... Retailers' sales increased a bit in November.

Stocks had a one-day jump that saw the Dow rise 43.03 points, to a record 1,955.57, on what analysts said was re-

lief that an investigation into the Iran arms deals had been ordered. Volume passed 200 million shares two days in a row as investors began to take capital gains under this year's more favorable tax rates. For the week, the Dow industrials gained 10.83, finishing at 1,925.06. Treasury securities showed strong improvements before dropping.

G.M. and H. Ross Perot parted company in an acrimonious divorce that removed Mr. Perot from G.M.'s board and gave him \$700 million for the G.M. stock he received when he sold his Electronic Data Systems to G.M. two years ago. Mr. Perot has been a sharp and highly-visible critic of G.M.'s management, particularly Roger B. Smith, G.M.'s chairman.

T. Boone Pickens offered \$2.03 billion for Diamond Shamrock in an effort to expand his Mesa Limited Partnership's oil and gas companies. But Diamond Shamrock says it wants to remain independent. Mr. Pickens has a formidable foe in William H. Brickner, Diamond Shamrock's chairman, chief executive and president, and analysts predict a spirited battle.

Intelsat dismissed its two top officers in an investigation into \$2 million in payments they authorized without the board's permission. Richard R. Colino, the director general, and Jose

L. Alegrett, a deputy, had tried to resign, but the board of the satellite and communications group refused.

BankAmerica rebuffed First Interstate, saying it felt no need to respond to First Interstate's uninvited \$3.4 billion bid. BankAmerica and many analysts think a hostile bid is inevitable.

Chesebrough-Pond's accepted a \$72.50-a-share bid from Unilever. American Brands had offered \$69 a share in a friendly deal, which Chesebrough-Pond's rebuffed, so American Brands planned a \$66-a-share tender offer. The \$3.1 billion deal would give Unilever a wide range of consumer products including Pond's cold cream, Vaseline products and Ragu spaghetti sauce.

The G.A.O. is investigating whether the S.E.C. and the exchanges have the ability to cope with the widening scandals in insider trading. The G.A.O. is concerned that computer systems are not sufficient to spot such irregularities as the Ivan F. Boesky trading scandal.

Rupert Murdoch wants to buy The Herald and Weekly Times, Australia's largest newspaper group, for \$1.7 billion. The surprise bid would eliminate half of Mr. Murdoch's competition in Australia.

## The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED DECEMBER 5, 1986 (Consolidated)				Standard & Poor's					
Company	Sales	Last	Net Chng	Company	Sales	Last	Net Chng		
Coc CE	18,243,000	14 1/4	- 3/4	400 Indust	283.7	273.8	279.4 +1.69		
Ches Pn	17,079,400	7 1/4	+ 5/8	20 Transp	214.7	204.6	211.6 +4.01		
AT&T	15,850,800	27 1/4	+ 1/4	40 Util	117.9	113.9	116.2 +0.44		
IBM	8,654,200	126 1/4	- 1/2	40 Financial	25.6	26.9	26.2 +0.63		
Gen El	8,616,300	86 1/4	+ 1/4	500 Stocks	254.8	245.7	251.7 +1.95		
Ohio Ed	7,863,000	20 1/4	+ 1/4	Dow Jones					
Owen C	7,681,300	12 1/4	+ 2 1/4	30 Indust	1971.7	1880.4	1925.0 +10.83		
USX	7,669,700	21 1/4	- 1/4	20 Transp	876.3	832.0	860.8 +14.96		
G Mot	7,504,600	7 1/4	- 1/4	15 Util	215.0	208.3	211.9 - 1.15		
Baxt Tr	7,313,900	20	+ 1 1/2	65 Comb	774.5	741.1	760.2 + 5.57		
Occi Pet	7,024,000	27 1/4	+ 1/4	The American Stock Exchange					
Gillet	6,736,700	51 1/4	+ 3	MOST ACTIVE STOCKS WEEK ENDED DEC. 5, 1986 (Consolidated)					
Coca Cl	6,731,800	38 1/4	+ 1 1/4	Company	Sales	Last	Net Chng		
Am Exp	5,812,600	60 1/4	+ 3 1/4	Husky g	5,429,900	8	+ 1 1/4		
Wm C	5,732,600	23 1/4	+ 1 1/4	Wickes	3,664,800	3 1/4	- 1/4		
				BAT	1,845,000	67 1/16	+1/16		
				AM Int	1,801,400	6 3/4	+ 3/8		
				WangB	1,662,500	13 1/2	+ 1		
				Habro	1,419,000	22 1/2	+ 1 1/4		
				Amdahl	1,292,500	23 1/2	+ 1 1/2		
				LoTet	1,186,300	18 1/4	+ 1/2		
				HomeGrp	942,900	21 1/4	+ 2		
				WDigit	871,600	19 1/4	+ 1/4		
MARKET DIARY				MARKET DIARY					
	Week	Last	Prev.		Week	Last	Prev.		
Advances	1,088	1,088	1,088	Advances	344	352	352		
Declines	828	820	820	Declined	418	386	386		
Total Issues	2,232	2,198	2,198	Unchanged	165	180	180		
New Highs	184	100	100	Total Issues	927	918	918		
New Lows	73	57	57	New Highs	37	25	25		
				New Lows	67	54	54		
VOLUME				VOLUME					
	Week	Last	Year		Week	Last	Year		
(P.M. New York Close)	Week	To Date	To Date	(P.M. New York Close)	Week	To Date	To Date		
Total Sales	861,082,300	33,280,088,570		Total Sales	58,153,570	2,767,371,334			
Same Per. 1985	672,974,971	25,381,320,223		Same Per. 1985	53,899,180	1,900,654,905			
WEEK'S MARKET AVERAGES				WEEK'S MARKET AVERAGES					
	High	Low	Last	Net Change		High	Low	Last	Net Change
New York Stock Exchange					New York Stock Exchange				
Indust	167.5	162.3	168.8	+0.98	Indust	167.5	162.3	168.8	+0.98
Transp	126.3	121.0	125.5	+2.22	Transp	126.3	121.0	125.5	+2.22
Util	77.7	75.7	77.3	+0.29	Util	77.7	75.7	77.3	+0.29
Finance	148.1	141.8	147.8	+3.61	Finance	148.1	141.8	147.8	+3.61
Composite	145.5	140.8	143.6	+1.12	Composite	145.5	140.8	143.6	+1.12



# The New York Times

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## Season of Lights, and Compassion

Holiday throngs gathered to watch the lighting of the Christmas tree this week in Rockefeller Center, an event that, like the Thanksgiving Day parade, clicks off the beginning of Christmas in New York. It is a time when a surge of energy enlivens the city — a time of shopping, of lights, of parties, of crowds, a time for gratitude and good cheer.

It should also be a season of compassion, a time to think of those in pain or despair, sick, hungry or alone. Walk through the city's train or bus terminals at night or early mornings and try to face, without a sense of shame, those who huddle against the walls. Watch the children, hardly more than toddlers, peering from the doorways of the welfare hotels. Such sights, among the lights, give urgency to this year's 75th annual New York Times Neediest Cases Fund appeal. The fund was created in 1912

and for some time was known as the Hundred Neediest Cases Fund. Today, the number in need has soared to a hundred hundred, and more. The fund now tries to meet the needs of people of all ages in all boroughs.

As in the past, the fund will pass every dollar to the neediest through eight private social service agencies. No money is kept back for costs of administration or solicitation. Donations are deductible for income tax and estate purposes, in accordance with the tax laws. Contributions may be anonymous, in the name of the donor or in someone's memory. Any amount is welcome.

Checks should be made payable to The New York Times Neediest Cases Fund and mailed to Post Office Box 5193, General Post Office, New York, N.Y. 10087.

## Teflon, Then and Now

Needing President Reagan is nothing new. He does it to himself — complaining, for instance, about a problem that caused him a lot of sleepless afternoons. What's new is that the ridicule has been sticking. Wisecracks who remember Watergate snipe: What did the President forget and when did he forget it?

The President has responded only gradually to the compound crisis of selling arms to Iran and sneaking the profits to the Nicaraguan contras. First he appointed an investigative panel. Days later, he named Frank Carlucci, a first-rate choice, to head his National Security staff, and endorsed the appointment of an independent prosecutor. Days later, Vice President Bush acknowledged that mistakes had been made and that the Administration's credibility had suffered.

Now, finally, the President himself has acknowledged error and expressed regret. The expression was grudging, referring to flaws in the execution of his policies. Still, if he has not yet admitted errors of his own, his use yesterday of words like "regret" and "deeply disappointed" at least suggests the acceptance of fault.

Until this crisis, Mr. Reagan's popularity, like Teflon, deflected wrath and ridicule alike. A New York Times/CBS News Poll last week showed how quickly the Teflon has disappeared. Half the public thinks he really did know that Iran arms money went to the contras. Seven Americans in 10 think the Administration is trying to cover up. For the President's popularity plummeted 21 points in a month reflects displeasure across the spectrum — a sense of comeuppance on the left, of betrayal on the right, of disappointment in the middle.

## The Price of the Unbuckled Belt

"I don't think seat belts should be forced on anybody," said Dan Bauer of Lodgepole, Neb. Neither did the majority of voters in Nebraska and Massachusetts, who voted last month to repeal mandatory-belt-use laws.

The repeal can't last. Federal regulations require automakers to install automatically functioning restraints in a small portion of cars built this year. By 1991 (or 1995 if more effective "airbag" restraints are used), all new cars must be equipped with the safety devices. Still, the passions that underlie these repeals and block belt-use laws in 24 others are disquieting. Too many Americans apparently regard efforts to reduce highway carnage more as excessive government than as sensible regulation in everyone's interest.

Manufacturers have long been obliged to equip new cars with shoulder and lap belts. But in the absence of law requiring their use, not many people bother to buckle up. Until quite recently, bills requiring belt use have been brushed aside by indifferent state legislatures. All that changed two years ago, when the Transportation Department decided to require manufacturers to install more expensive automatic belts or airbags unless states with two-thirds of the population passed and enforced mandatory-belt-use laws. Manufacturers subse-

quently lobbied hard for the laws, which passed in 26 states. A Federal court has since decided that many of the laws fail to meet the minimum standards set by the department. But they remain on the books, and a backlash has set in.

Buckling lap and shoulder belts cuts the risk of death and serious injury in crashes by half. Opponents of the laws in Nebraska and Massachusetts didn't challenge these estimates. They simply argued that people shouldn't be forced to act in their own interests.

It's possible to make a case that they should, for safety reasons, but one need not go further than cost. When some drivers are killed or injured in car crashes, all drivers pay more in higher insurance premiums as well as Government-financed medical and welfare benefits. Seat belts protect a collective as well as individual interest.

Some of the blame for the backlash may lie with the fact that the first generation of belts, installed to comply with Federal regulation, were uncomfortable and awkward. A big question now is whether a similar experience awaits buyers of the generation of cars that must be equipped with automatic belts or airbags. Moral questions aside, their resistance, along with that of some drivers, takes money out of everyone's pocket.

### Topics

## Changing Places

### Still Missing

Gen. Ramón Camps, who is ill, and his co-defendants, who defiantly reject the court, were not present to witness their conviction and sentencing for torture this week, but many other Argentines packed the courtroom. The rest of the civilized world also took approving note. General Camps, formerly police chief of Buenos Aires Province, gained notoriety after one of his victims, Jacobo Timerman, published a best-selling memoir of life as the general's prisoner. Tuesday, a court found General Camps guilty of 73 counts of torture and sentenced him to 25 years in prison.

President Raúl Alfonsín's commitment to try the criminals of the last military regime has been exceptional. Other civilian presidents fear provoking restless officers; Mr. Alfonsín has understood that democracy requires the rule of law. Even so

he now proposes a controversial bill to wind up these trials. As the grim but necessary process of reliving the "dirty war" proceeds in Argentina's courtrooms, a frightening footnote recalls the awful legacy and continuing perils. Osvaldo Sivak, a Jewish business executive who was kidnapped and held for ransom during the dictatorship, last year was kidnapped again. Despite the extortion of another ransom, apparently collected by Government investigators, he remains unaccounted for.

The message from the Camps trial is that never again must Argentina's citizens "disappear." The message from the Sivak case, sadly, is that they still can.

### Woman's Work?

A couple recently arrived at Newark Airport after a long flight with a

6-week-old baby in desperate need of a diaper change. The task fell to the husband, who followed the signs in the nursery entrance turned out to be in the women's restroom. Either his wife would have to change the diaper, or it would have to go unchanged. Fortunately, she was available. But what if father and child had been traveling alone? What if the couple had more than one child, an infant needing a diaper change and a little girl who needed her mother's help in the restroom?

The nursery was simply a bigger-than-average restroom stall with toilet, wash basin and extra counter space on which to place a baby for changing. There was no reason that both men's and women's restrooms couldn't have had one. No reason, that is, except the assumption that changing diapers is woman's work. At Newark Airport, of necessity, it is.

### Letters

## Public Trust and the Market in the Boesky Era

To the Editor:

Henry G. Manne's Nov. 25 Op-Ed article, "The Real Boesky-Case Issue," responds to one not sequitur with another. The first, attributed to Senator Howard M. Metzenbaum, is that the best way to deal with the problem of insider trading is further to restrict hostile takeovers. That is the functional equivalent of suggesting that the best way to deal with widespread theft of car radios in New York City is to outlaw installation of radios in cars that will be parked on city streets.

Dean Manne, however, is not content with ridicule. He goes on to suggest that Congress should eliminate both restrictions on takeovers and the long-standing prohibition against insider trading. How the second of these suggestions is supported by the Ivan Boesky case is never made clear.

Dean Manne's claim, which he has made many times before, is that insider trading is in fact beneficial and advances one objective of the Federal securities laws: to keep the securities markets fully informed, so as to allow market participants to price securities more accurately. But he ignores another important objective of the securities laws: to keep securities markets equally informed, so as to encourage the public to invest in securities. If the public believes that the market is crooked — that the cards are marked, but only some players know how to read them — it will invest its savings elsewhere.

Keeping the market fully informed and equally informed at all times is not possible. A policy that advances one objective may detract from the other. That is the effect of rules regulating insider trading.

Unless Dean Manne can demonstrate how allowing unrestricted insider trading will produce a better balance than the rules now being enforced by the Securities and Exchange Commission, his suggestion does not deserve to be taken any more seriously than does that of Senator Metzenbaum.

ELLIOTT J. WEISS

New York, Nov. 25, 1986

The writer is professor at the Benjamin N. Cardozo School of Law of Yeshiva University.

### Debt Burden Remains

To the Editor:

In "Takeovers Yes, Holdups No" (editorial, Nov. 28), you take dead and effective aim at "greenmail" — an overpayment for stock just to make a corporate raider go away. You are right. You also say some takeovers are constructive because they replace incompetent manage-

ment. Right again. But you overlook far and away the most serious adverse effect of takeovers — successful as well as unsuccessful.

Takeovers, especially hostile takeovers, often load the target corporation with debt. The surest and most common corporate defense is simple: trade debt for equity. The borrowed debt enables the corporation to bid up the price of its stock and makes the corporation a less desirable takeover target because of its heavier indebtedness. In the process the corporation is burdened with debt. And the corporation becomes far more vulnerable to insolvency in the next recession.

A heavier debt burden also leaves less corporate income available for research and development, for training personnel and buying more efficient equipment. That isn't all. Takeovers put heavy corporate emphasis on the coming quarterly reports rather than the long-term health of the corporation. Knock out greenmail, yes. Why not also consider the application of margin requirements to the "junk bonds" used to finance takeovers as a way of limiting the borrowed capital to engineer the takeover and later burden the corporate target?

WILLIAM PROXMIER  
U.S. Senator from Wisconsin  
Washington, Nov. 28, 1986

### Gogol's Soul Raider

To the Editor:

The use of "junk bonds" by individuals to finance corporate takeovers and amass huge personal fortunes for themselves has an interesting precedent in prerevolutionary Russia.

In "Dead Souls," Nikolai Gogol speaks of the days of serfdom in Russia when a man was taxed on the number of "souls" he possessed. The



tax was levied until the "soul" was officially declared dead by census, sometimes 10 to 20 years later. In the

## Jobs That a President Should Not Delegate

To the Editor:

The Iran-Nicaragua caper is symptomatic of a deeper problem that should be addressed by Congress if the Presidential office is to remain the bastion of elected executive authority that the United States Constitution describes.

The problem involves the interplay between delegation and deniability. By overdelegating to subordinates some responsibilities that should be the President's alone, Mr. Reagan has not only relieved his workload but has also erected a particularly strong shield of deniability, as have some of his predecessors.

As the scandal continues to unfold, it is increasingly apparent that President Reagan and the rest of us have paid too high a price for this shield. Ironically, the shield is claimed by those who employ it to protect the authority of the Presidency, when it erodes authority by keeping from the President vital information that is needed for his own decision making.

If current adversity is to give way to opportunity in the long run, Congress should consider enacting legislation that is designed to enumerate the full range of executive duties for which the President alone is responsible, by required signature. In so complicated a system as the executive branch of our Federal Government, a great deal of delegation is

not only proper but also essential. Yet, the Presidential shield of deniability cannot be pierced unless we first distinguish areas in which delegation is permissible from those in which it is not.

Such legislation would restore trust in the authority of the Presidential office and make it easier to decide whether the President or overzealous subordinates or both should be legally accountable in the event of a fiasco. Without such legislation, we run the risk in 1988 and beyond of spending enormous national resources to elect a President who then passes the buck to appointees. Even if we in the United States would ever settle for such a Presidency, other nations will not.

WILLIAM E. COOPER  
Iowa City, Nov. 30, 1986

### But Don't Quote Me

To the Editor:

It's sad for democracy when a Cabinet member opposed to random drug testing of Federal employees (front page, Nov. 25) speaks to the press of "a transcendent moral requirement that we retain a sense of ourselves as individuals, human beings, souls, people with dignity" — only on the condition that he not be identified.

BARBARA ZERA ABRAMSON  
New York, Nov. 25, 1986

## Some of the Founding Fathers Vigorously Opposed Slavery

To the Editor:

Judge Avern Cohn of the United States District Court says (letter, Nov. 11): "Nowhere to my knowledge did Madison, or Hamilton, or Jay for that matter, even remotely suggest that the Constitution was flawed in its condoning of slavery or that in some manner the Constitution protected or gave hope to slaves that they would be free one day. On the contrary, the Founding Fathers, to our everlasting shame, expressly rejected Lord Mansfield's view that slavery was incompatible with common-law principles of justice."

It would be difficult to imagine a more erroneous — or unjust — assertion concerning the Constitution and the Founding Fathers. Consider the following. Writing to Fanny Wright in 1825, in response to her "Plan for the Gradual Abolition of Slavery in the United States," James Madison declared:

"The magnitude of this evil among us is so deeply felt, and so universally acknowledged, that no merit could be

greater than that of devising a satisfactory remedy for it."

I do not know of a shred of documentary evidence — concerning Madison or any of the other Founding Fathers — to contradict what he says here. How could there be it, as Jefferson said, the Declaration of Independence, with its great proposition of human equality, was "an expression of the American mind"? How could there be if, as Jefferson and Madison proposed to the law faculty of the University of Virginia, the principles of the Constitution are to be found in the Declaration of Independence? (Attorney General Edwin Meese 3d repeated this in his Constitution Day speech of 1985.)

The views attributed to the Founding Fathers by Judge Cohn could with

much propriety be attributed to the progenitors of the Confederacy, to such men as John C. Calhoun and Jefferson Davis — to those who, after 1832, maintained that slavery was not an evil, but a positive good.

It was the reassertion of the anti-slavery principles of the Founding Fathers by Abraham Lincoln, in opposition to the extension of slavery, that led to secession and civil war. But the preservation of the Union, the destruction of slavery and the Civil War amendments cannot be understood except in the light of fidelity to the promise of the original Constitution.

HARRY V. JAFFA  
Professor of Political Philosophy  
Claremont McKenna College  
Claremont, Calif., Nov. 17, 1986



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## IN THE NATION

Tom Wicker

## Reagan's Best Shot?

Forget those "sweeping potential agreements" — such as the elimination of all nuclear weapons, or was it only strategic nuclear missiles? — that the Reagan Administration insisted were still "on the table" after the breakdown of the Iceland summit.

After Mr. Reagan's precipitous plunge from grace, it is questionable whether Mikhail Gorbachev even wants to enter further negotiations with a weakened President about to leave office and faced with an opposition Congress. The Soviet leader might easily conclude that steps like those discussed at Iceland would be possible only for a strong new President with a cooperative Congress.

Besides, if Watergate is a guide, Mr. Reagan will be so preoccupied with defending himself and holding together his Administration that he will have little time or energy for arms control. And without a President's vigorous personal commitment — especially when his Administration is as divided on arms control as this one is — no major agreement is possible.

Time, moreover, is short if a treaty is to be ratified before Mr. Reagan leaves office; probably he'd have to send it to the Senate before the end of 1987, leaving it to be debated in an election year. And even if such a treaty could be negotiated in time, Mr. Reagan might well have been too weakened by the collapse of his Iranian adventure to push a controversial agreement through a Democratic Senate, with a new President — possibly a Democrat with his own ideas about arms control — soon to be elected.

A chance nevertheless remains for a useful but limited strategic arms agreement; ironically, the prospect for such a step may even have been enhanced by disaster. In his dire new situation, Mr. Reagan — whose approval rating dropped this week from 61 to 50 percent, while his unfavorable rating rose to 48 from 36 percent, in a Wall Street Journal/NBC News poll — might conclude that only an arms control agreement can save his Administration and redeem his reputation.

That's the right wing's nightmare — that a struggling President will give away the national security in a desperation agreement. But even if

## Maybe to save himself with a simple, limited arms pact

Mr. Reagan were willing to make such a deal — and it's demeaning to him for his erstwhile supporters even to fear it — there'd be no chance for Senate ratification. Instead, to get an agreement, the President probably would have to scale back his "sweeping" arms control ideas and go for something simple and limited.

He might, for example, pick up some of the threads of "potential agreement" from Iceland and enter into, say, a five-year deal with Mr. Gorbachev along these general lines:

- Bar deployment of, but permit laboratory research on, space-based defense; for that period, research probably could not proceed beyond the laboratory anyway.
- Reduce strategic nuclear weapons by an agreed percentage on both sides — probably less than the 50 percent both sides have bandied about.
- Continue enforcement of the ABM treaty, as traditionally interpreted, and mutual observance of SALT II.

On the latter point, the new Democratic Congress may well force a weakened President to return to SALT II anyway, by refusing to provide funds for weapons exceeding its limits. The House approved such a step in its session last year; the new Senate would be likely to concur.

Limited though it would be, such an agreement would give Mr. Reagan some degree of the strategic arms reduction he has said he seeks, without his having to give up his cherished Strategic Defense Initiative. In return, he'd be giving Mr. Gorbachev equal reductions and some degree of further assurance against the space-based defense the Russians so strongly oppose.

A five-year agreement, moreover, would leave Mr. Reagan's successor, whether Republican or Democrat, necessary flexibility to develop his own arms control proposals and his own policy toward the S.D.I. And it would enable Mr. Reagan to leave office on a note of achievement that the Iranian fiasco makes it hard to envision on any other major issue.

Is the President likely to see it that way? His insistence on "breaking out" of SALT II, even as his political troubles deepened, is not encouraging. On the other hand, those troubles are far from over; the investigations are just beginning; and to para-

## A Council of 'Wise Men' for Reagan

By Walter Isaacson

The covert funding of the contras, the murky connection between Iranian arms shipments and hostages, the foray into uncharted territory in Reykjavik — each new disclosure reveals a President who seems to conduct foreign policy by the seat of his pants, following gut instincts rather than well-wrought initiatives based on national principles. Responding to the disaster, Democrat Sam Nunn and Republican Richard Lugar, two of the Senate's most thoughtful members, have been among those endorsing the same proposal: the appointment of a panel of "wise men," an outside group of elder statesmen to give regular foreign policy advice to a floundering President.

It is easy to dismiss the idea of a chin-stroking council of elders pontificating to an inattentive President as one of those high-minded proposals that sound worthy on Sunday interview shows but are useless in the real world. The portentous rumbling of a covey of has-beens is the type of thing that could give bipartisanship a bad name. Nor is it likely that a President with a penchant for covert escapades will be transformed through required sessions every now and then in a room filled with pipe smoke.

Yet unlike most civics book notions, there is, on third glance, some merit to this one. In the case of Ronald Reagan, regular sessions with a panel of wise men could be a small step toward alleviating some of the shortcomings that have contributed to his string of woes: his isolation from divergent opinions, his tendency not to reflect long and hard on the implications of his decisions and his detachment from the nuances of policy.

President John F. Kennedy, having been burned by the Bay of Pigs fiasco, summoned a group of elder statesmen who had shaped America's bipartisan foreign policy consensus after World

War II — they included Dean Acheson, John J. McCloy and Robert A. Lovett — to join in the tense deliberations over the Cuban missile crisis. "The best service we could perform is to try to approach this the way Colonel Stimson would," Mr. Lovett told the national security adviser, McGeorge Bundy, invoking the memory of Henry L. Stimson, whose rotation in and out of top posts during the first half of this century made him the patron saint of bipartisan commissions.

At Mr. Bundy's suggestion, President Johnson created a formal advisory group, which became known as "the wise men," to give the Establishment's imprimatur to the Vietnam War. Initially, they did. But even when such panels are created to affirm what a President plans to do anyway, things can turn out differently. By March 1968, Averell Harriman had succeeded in convincing his old friend Dean Acheson that the war was futile. When "the wise men" met that month, Mr. Acheson led them in telling President Johnson so. Within a week, the President announced that he would seek negotiations and drop his bid for re-election.

Nicaragua, Reykjavik and Iran represent the three most fundamental foreign policy issues facing the United States — the commitment that it should make to resist the spread of Soviet Communism, the military strategy it should pursue in a nuclear age and the methods it should adopt to deal with terrorism. The approach to these issues should not depend on the whims or instincts of a particular President. This is especially true with regard to Ronald Reagan, who has fanciful whims about abandoning nuclear deterrence and romantic instincts about the power of "freedom fighters" to roll back Soviet influence.

These notions, arguably, could have

some merit, if pursued through pragmatic and well-calculated initiatives. But when combined with President Reagan's penchant for circumventing Congress and the State Department, his weakness for covert actions and his willingness to delegate operations to a bunch of gung-ho cowboys whose bizarre schemes could charitably be described as hare-brained, it becomes clear that providing him with a sounding board of experienced wise men might indeed serve a useful purpose.

Of course, there is no evidence that President Reagan would pay much heed. He has twice convened groups of this kind when faced with national security dilemmas, but they mainly served as public-relations ploys. When the MX missile was threatened by a sense that President Reagan was simply seeking new weapons with little regard for how they fit into a nuclear strategy, he asked a panel headed by Brent Scowcroft to develop such a strategy. Mr. Reagan promptly ignored it. Likewise, the findings of Henry A. Kissinger's bipartisan panel on Central America, appointed by Mr. Reagan to allay criticism that his support for the contras was not part of a coherent policy, were also consigned to a dusty shelf.

Nor, for that matter, should a President necessarily be expected to take the advice of blue-ribbon panels. By their very nature, such groups tend to revere conventional wisdom.

Such advisers could help alleviate the causes of a string of woes

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## A means of foreign policy insight

some merit, if pursued through pragmatic and well-calculated initiatives. But when combined with President Reagan's penchant for circumventing Congress and the State Department, his weakness for covert actions and his willingness to delegate operations to a bunch of gung-ho cowboys whose bizarre schemes could charitably be described as hare-brained, it becomes clear that providing him with a sounding board of experienced wise men might indeed serve a useful purpose.

Of course, there is no evidence that President Reagan would pay much heed. He has twice convened groups of this kind when faced with national security dilemmas, but they mainly served as public-relations ploys. When the MX missile was threatened

by a sense that President Reagan was simply seeking new weapons with little regard for how they fit into a nuclear strategy, he asked a panel headed by Brent Scowcroft to develop such a strategy. Mr. Reagan promptly ignored it. Likewise, the findings of Henry A. Kissinger's bipartisan panel on Central America, appointed by Mr. Reagan to allay criticism that his support for the contras was not part of a coherent policy, were also consigned to a dusty shelf.

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# Venice Reclaims Its Past Glory

By OLIVIER BERNIER

**D**ecaying but never dying, shabby but still sumptuous, Venice has come to seem eternal. We expect her palaces to lean and her marbles to become cloudy. Melancholy is part of her appeal, safe as we are in the knowledge that the 1,500-year-old city, built on sand and water, is in fact as perennial as if its foundations were the hardest rock. That, however, like so much of Venice's lore, is a romantic illusion. Just 20 years ago the lagoon rose to unequal heights, flooding, damaging, destroying. Venice, on Nov. 4, 1966, came close to obliteration, and tomorrow or next year or the year after that, a similar or worse "high water" may compound the earlier damage.

Just how wretched the state of the city had become is vividly pictured in "Venice Restored" and "Twenty Years of Restoration in Venice," two concurrent exhibitions, the first at the Accademia, the other, which was solemnly opened by Premier Bettino Craxi, at the Doges' Palace; both will continue through Dec. 31. For all who love Venice the shows offer much hope and, indeed, much satisfaction. With the help of the Italian Government and an impressive array of foreign contributors, much has been done to repair and preserve.

Even the possibility of another devastating flood may eventually become just a memory. Several projects that would shut the mouths of the lagoon when the water is too high, while leaving them open to the cleansing tides the rest of the year, are part of the Accademia show. And rightly so, since without such efforts the possibility exists that the work of the last 20 years could be eradicated in a day of renewed catastrophe. But most of the material there and at the Doges' Palace documents the extraordinary achievements of the last 20 years. And what is most remarkable about them is not the money spent or even the results, but the methods that have been developed.

First, says Francesco Valcanover, Venice's Superintendent of Artistic Patrimony, "we had to repair immediately the damage we were competent to deal with. Then we had to create structures of scientific research and technical applications; and that entailed setting up special laboratories." Indeed, the problems of restoration in Venice are particularly daunting. Besides the appalling damage caused by the flood of 1966 — "the city aged 150 years in one day," says Mr. Valcanover — the lagoon, which protected the Serenissima

against foreign invasion for more than a thousand years, offers a particularly hostile environment. Salt water and salt air are not good for works of art. And compounding the damage is the air pollution blowing in from the oil refineries of Mestre and Marghera just a few kilometers away on the mainland.

As a result, to start on the outside of most of the city's buildings, the marble or stone is being eaten away by the precipitation of sulfuric acid from the sulfur in the rain water. First a black crust is formed, under which the acid damages the stone to its core. Then the crust falls off, leaving a surface as soft as that of a lump of

to do without them.

Further complicating the problem, these decaying palaces and churches — now under the care of Margherita Asso, Superintendent of Architectural Patrimony — shelter some of the most important paintings and frescoes in the Western world. Even when the artworks were not directly damaged by immersion in the floodwaters or the rise of humidity into the walls by capillary action, many of them are old enough to have suffered from the passage of time. They need to be cleaned and stabilized, and they are often of massive dimensions. The Tintoretto depiction of "Paradise" in the Doges' Palace, for instance, the largest

known canvas in existence, has an area of more than 1,600 square feet. It is in determining what to restore first, and even more important, what methods to use, that the restoration workshops set up in a deconsecrated Gothic church, San Gregorio, have been of primary importance. Financed in part by the English Venice in Peril Committee, the workshops have proceeded with the essential and pressing labor of restoration in the former church, which is excep-

tionally suited to the task due its size. Because of the height of its vaults, for instance, it was uniquely able to accommodate the Tintoretto "Paradise" while the painting was being slowly cleaned and restored. At the same time the laboratory, set up in the former Abbazia della Misericordia, and partly financed by the New York-based Kress Foundation, has explored new techniques.

Staffed by a physicist, a biologist and a botanist, among others, this new facility (it opened in 1982) has been investigating the structure and vulnerability of stone, as well as the way it is attacked by destructive lichens. "It is," says Dr. Marilyn

Perly, director of the Kress Foundation, "a major contribution to the restoration of Venice even though it does no actual restoration work." The laboratory also runs pigmentation studies for paintings whenever requested to do so.

When it comes to repairing Venice, it is impossible to know too much not just about stone but about wood as well. The Great Hall of the Libreria Marciana, for instance, is one of the noblest rooms in Europe. Its elaborate carved and giltwood ceiling

serves as a frame for 21 paintings that Mr. Valcanover calls "a manifesto of Venetian Mannerist painting." Here the canvases were removed, cleaned and restored individually while the wooden ceiling elements were also taken down, consolidated and regilded. The same was

done in the Antea, the entrance hall, where the ceiling, complete with a first-rate Titian in its center, has recovered all its original beauty thanks to a grant from the World Monument Fund.

From the restored paintings in the Doges' Palace where the Veroneses and Tintoretts are once again aglow with rich luminous color to the ceiling of the Libreria Marciana just across the Piazzetta, from the magic Carpaccios in San Giorgio degli

Not all projects, of course, are that spectacular. In a city where virtually every structure is of interest, there is also need for literally thousands of individual, lesser actions. Some are awe-inspiring even if they are actually invisible. In Murano, for instance, the church of SS. Maria e Donato's admirable polychrome marble floors remained submerged in sea water after the flood. So with great care, the structure was underpinned and the floors removed. Then a vast bathtub-like concrete vault, complete with sump pumps, was built under the church, after which the floors were cleaned and replaced. Today, the only sign of this vast project's completion is the dryness of the once-inundated nave.



Giulio Licinio's 16th-century "Constancy and Patience" on the ceiling of the great hall of the Libreria Marciana in Venice is shown at left, before it was restored, and at right, after restoration.



sugar. Thus, within a very few years, the sculptures erode, the marble surfaces vanish until there is virtually nothing left. The problem of stone and marble preservation and conservation is thus acute — but so is that of corroding metal. The famous horses that adorned the facade of San Marco have now been removed to storage and are, deplorably, no longer to be seen. As for their fiberglass replacements, one may fairly wonder whether it would not have been better

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## 'The Mosquito Coast,' Where Is Thy Sting?

By JANET MASLIN

**F**orget it, Louis. No Civil War picture ever made a nickel. Irving Thalberg reportedly said to Louis B. Mayer on the occasion of their turning down "Gone With the Wind." This anecdote, recounted in "City of Nets," Otto Friedrich's fascinating compendium of Hollywood lore, is of a type much more likely to surface than its polar opposite, the bad-luck story of how an unworkable film project actually did find its way to the screen. Stories of the latter sort might reveal a lot more about the movie-making process and its attendant logic than tales about opportunities not taken.

Was there no fly on the wall when Bill Murray, for example, decided to attempt the gigantic leap from comic cutup to truth-seeking adventurer in remaking "The Razor's Edge"? Or when it was decided that D.M. Thomas's complex Freudian parable "The White Hotel" was worth an unaccountably large (\$500,000) movie sale, the kind that's usually accorded an automatic hit? The madness that afflicts film makers in the presence of prestigious literary properties has never been documented very thoroughly, perhaps because it would rarely redound to the credit of those concerned. But a film like "The Mosquito Coast," Peter Weir's adaptation of Paul Theroux's novel, can't help but bring these matters to mind.

"The Mosquito Coast" is the second of Mr. Theroux's stories currently on the screen, the other being Bob Swaim's "Half Moon Street," based on his novella "Dr. Slaughter." It's easy to see what made both works attractive to serious and intelligent film makers like these. Both have strong leading characters, even domineering ones, and both abound with dialogue that is slangy, bright and sometimes bracingly rude. "God got bored. I know that kind of boredom, but I fight it," says Allie Fox, the furious inventor who moves his family to the Honduran jungle in "The Mosquito Coast." That book also contains several important action sequences, which must have made it seem all the more adaptable.

It is no disservice to Mr. Theroux, though, to say that he doesn't appear to write with a movie sale in mind. Nor is it slighting Mr. Weir, whose directorial style is so uncommonly haunting and versatile, or Paul Schrader, who wrote the screenplay, to say that "The Mosquito Coast" presented them with insurmountable problems. Chief among them is Allie Fox himself, a compelling but impossible man who is, as another character describes him, "the worst kind of pain in the neck — a know-it-all who's sometimes right." (The man, Allie, is an exasperated employer, has a slight accent, and he is by no means the only one in the story to speak a little strangely. Mr. Theroux loves acerbic, oddball language, and fills his book with "Duppies," "Munchies," "funny-bunnies" and "ham-burgers," the latter two being among Allie Fox's many terms for those he dislikes.)

Working on a farm in Hatfield, Mass., as the story begins — where the asparagus fields, in Mr. Theroux's typically startling and rather abrasive description, are "as brown and smooth as if the green scalp of grass had been peeled off and the whole baldness steamrolled" — Allie is first heard denouncing contemporary America as "a dope-taking, door-locking, ulcerated danger zone of rabid scavengers and criminal millionaires and moral sneaks." This refrain is repeated endlessly throughout both the book and the film, which is extremely faithful to Mr. Theroux's lacerating dialogue, if less so to his overall conception.

What can happen after Allie takes his family into the wilderness? Mr. Theroux alludes pointedly to Conrad's "Victory" and mentions "Robinson Crusoe," but his own "Victory" is a great deal more particular, and more mean-spirited. Allie re-creates his favorite invention, a bad-

smelling ice-making machine that he alternately calls "Fat Boy" and "the Worm Tub," on a gigantic scale in the jungle. When it falls apart, he does, too. Having embarked upon the mission of "rebuilding a civilization from the smoking ruins," Allie begins to create his own version of the very life he has rejected. He brings ice and air-conditioning to the jungle, insists on growing carrots in a place where wild fruits and vegetables abound, and trumpets this achievement to his children, who secretly crave Twinkies and ready cash.

Though Mr. Weir has conveyed a deep sense of mystery and foreignness in earlier films like "Picnic at Hanging Rock" and "The Year of Living Dangerously," and though he filled the stirring "Gallipoli" with such foreboding, he qualifies understandably at taking Allie as far as Mr. Theroux has. The novel, narrated by Allie's son Charlie, culminates in the children's rebellion against their father, and in the grisly irony of Allie's fate, which is as ugly as anything he has anticipated for America's cities.

No film could re-create this without losing its audience entirely, but that's not a matter of the darkness of Mr. Theroux's vision. Certainly Conrad's thoughts of the physical and spiritual wilderness are a great deal blacker, and yet they lend themselves much more easily to the mass medium of film. If "Heart of Darkness" becomes more and more powerfully allegorical as it proceeds, Mr. Theroux's heart-of-darkness tale has an opposite effect, beginning on a universal note of social criticism and becoming narrower and narrower, until it finally seems to have no implications beyond its own literal limits. Even Stephen King's "Shining," another story in which a tyrannical father isolates and torments his family, is a wider and more cinematic tale than this one.

On the evidence of some of the choices they've made, Mr. Weir and Mr. Schrader seem to have struggled intelligently with this very problem. And they've dealt with it by softening some of Mr. Theroux's harsher conceptions, which was probably their only option. When three villains, stock figures in both the film and the novel, arrive at Allie's outpost, the film makers remove all ambiguity from the situation, so that Allie has no choice but to eliminate them, much as a cowboy would in the most conventional of westerns. This facilitates a gentler ending in which Allie need never admit a mistake, though in the novel he experiences remorse, and a brief breakdown, and his family's tribulation. On the screen, Allie has long since become so bullying and unsympathetic a figure that there would be little point in letting him suffer this way.

At first glance, "The Mosquito Coast" must have appeared to have everything: adventure, social criticism, a family story, an exotic locale. And it must have seemed an ideal project for a director who has done so well in so many foreign settings; if anything, Mr. Weir seems as alert to the illuminating effects of strangeness and travel as Mr. Theroux. What was missing, more on the screen than on the page, was the kernel of any wider meaning, the basis for any real audience involvement. It's proof again that there's more to an exciting adventure film than menace and surprise, the unexpected and the unknown, although these are essential ingredients. If the characters in a film wind up alienating the audience as thoroughly as Allie Fox does (despite the canny, snappish performance of Harrison Ford in the role), then the specifics of what happens to them hardly matter at all.

Was there a better way to approach "The Mosquito Coast" than the one Mr. Weir and Mr. Schrader took? Probably not, and Mr. Swaim's "Half Moon Street" bears that out, since it has similar shortcomings. Both films begin with an energy and independence befitting their smart, single-minded leading characters — and both become a lot more conventional as they go along, as if the material's mutual promise has simply gone up in smoke.

## ... Such Sweet Sorrow ...

By CHARLOTTE SHORE/Puzzles Edited by Eugene T. Malachuk

### ACROSS

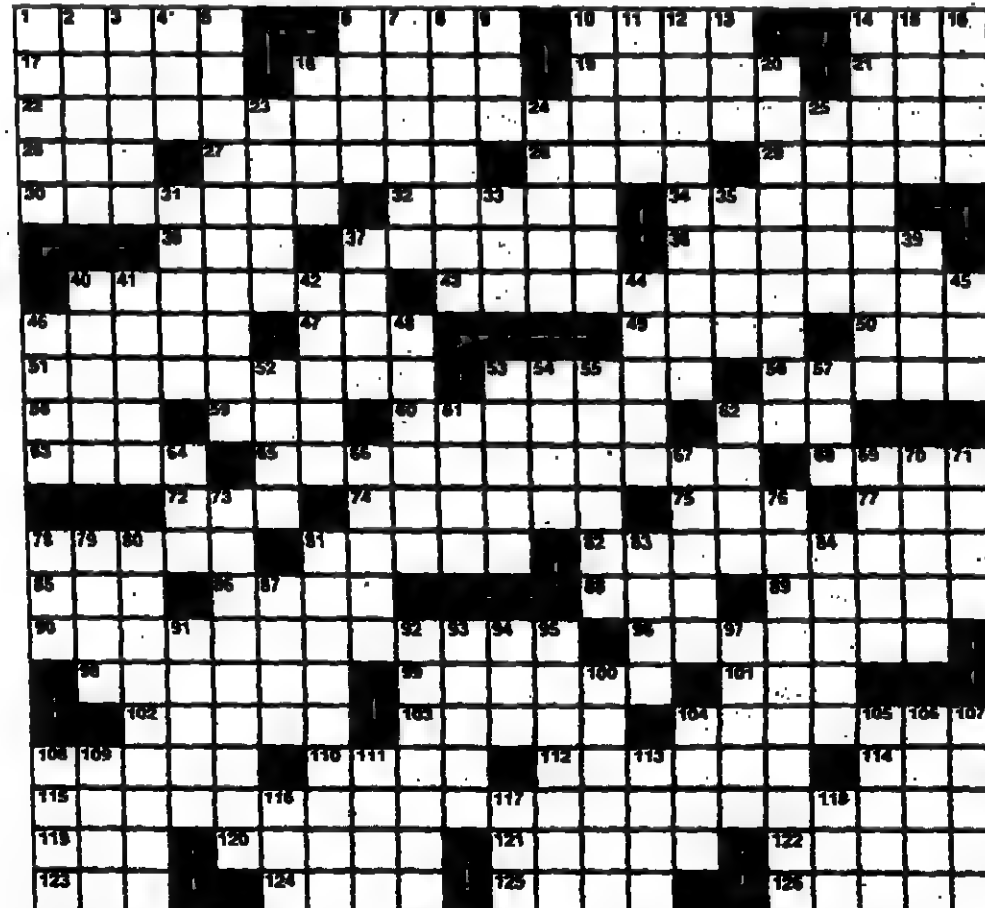
- 1 Refrain start
- 6 G.I.'s
- 10 Furtive whisper
- 14 Mad or red follower
- 17 Fix the lawn
- 18 Liquid part of fat
- 19 Novelette
- 21 Ethiopian town
- 22 Tune for author Heise?
- 26 L-P connectors
- 27 Word on a bottle of "snake oil"
- 28 Concerning
- 29 Play the Old Vic
- 30 Smell that may cast a spell
- 32 U.S. humorist Finley Peter
- 34 Walking — (euphoric)
- 36 Cry of vindication
- 37 Treat for Cheeta
- 38 "Dialogues of the Gods" author
- 40 Thrill content
- 43 Shalimar's words to Peres?

- 46 Actor Delon
- 47 Foreman's opponent in Zaire
- 49 What wreckers do in Soho
- 50 Gold in Genova
- 51 Mechanic's garment
- 53 As guilty —
- 56 Legendary Irish king
- 58 Soprano Marlon
- 59 Some desk trays
- 60 Unlikely
- 62 Philippine vine
- 63 First loyalty, to Polonius
- 65 Remark from Mrs. Guinness?
- 68 Arizona artisan
- 72 Run up bills
- 74 Marlin —
- 75 Yarn measure
- 77 Muffler mangler
- 78 "I — dream": King
- 81 Typewriter of sorts
- 82 Moriarty and J.R.
- 85 Candlestick tree
- 86 Proceed; act
- 88 Clock-radio button

- 89 With caustic humor
- 90 "Bye, Godfather?"
- 96 Dwell
- 98 Longfellow subject
- 99 Shirley in Yucatán
- 100 Endearment
- 101 Speak softly
- 102 Goddess who knew her cats
- 103 Podium prelude
- 104 Upset on a jet
- 108 Puppeteer Lewis
- 110 Historian's subject
- 112 — gai pan (Chinese dish)
- 114 Antonym's antonym: Abbr.
- 115 Paint Goya out of the picture?
- 119 Fugateer
- 120 Sheer woven fabric
- 121 Fishhook line
- 122 Yarn
- 123 Indeed
- 124 Chimney on the Haus
- 125 Ocean motion
- 126 Linus and Elthub

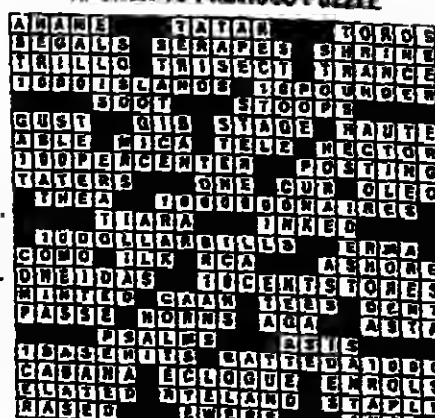
### DOWN

- 1 Bird of passage
- 2 See old schoolmates



- 3 About
- 4 Kind of blow
- 5 Be short with Toulouse
- 6 Judd Hirsch TV role
- 7 Capital of Yucatán
- 8 Incomplete mental castings
- 9 Indivisible
- 10 Fasten in advance
- 11 Made ecstatic
- 12 Educator in the Middle Ages
- 13 Stalemate
- 14 Note
- 15 Novaro's comings and goings in Italy?
- 16 Country cousin of ain't
- 17 Ennui Echo
- 18 Garfield's friend
- 19 SPECTRE specialty
- 20 Virtuoso
- 21 Mischief
- 24 Co-creator of "The Flintstones"
- 25 When Prince William will be 21
- 31 Prima — evidence
- 33 Slang refusal
- 35 Nut, in Nurnberg
- 37 Liberty, for time
- 39 Writer Ephron
- 40 "I've got my first saxophone!"
- 41 Describing some stories
- 42 Latin-style dance music
- 44 A college at Oxford
- 45 No, in Noisy-le-Sec
- 46 Dice throw
- 48 — Baline (Irving Berlin)
- 52 Poker pittance
- 53 "I don't care" or a Sphinx?
- 54 Achy
- 56 Looks fixedly
- 57 Kin of "Wow!"
- 61 Peon of yore
- 62 It's SE of Grid.
- 64 Cheyenne, to a Pawnee
- 66 Letter after eta
- 67 Choice
- 69 "What immortal hand or Blake?"
- 70 Some knitting stitches
- 71 Blissy's partner
- 73 Admirer of the composer of "Rienzi"
- 76 Farewell, Stollene?
- 78 Experiences

### ANSWER TO PREVIOUS PUZZLE









# Genetic engineering pays off for InterPharm

## Growth hormone products and interferon fuel rise in company profits

By SIMON LOUISON  
For The Jerusalem Post

The incubation period for the development of biotech medical products is notoriously long so it is not surprising that shareholders of InterPharm Laboratories Ltd. have had an uncomfortably long wait for profits. However, the genetic engineering specialists will apparently post a profit of close to \$1 million this year and prospects for the future look promising.

Sales for the first nine months were \$4.6m, compared with \$4.2m the year before, while profit for the first three quarters stands at \$648,500 against a loss of \$234,000 for 1985. The company, established in 1979, has now had five consecutive profitable quarters.

Profits derived roughly half-and-half from two products — human growth hormones and native beta interferon marketed under the Frone label.

The growth hormone products

were originally developed by InterPharm's 75 per cent owner, the Swiss multi-national Ares Sero, and InterPharm has manufactured and marketed the products. However, it is Frone, the product completely developed by InterPharm, on which the company's and investors' hopes mainly rest. To date, Frone is only marketed in Israel, Italy and Argentina, but news earlier this year that another interferon product received U.S. Food and Drug Administration (FDA) approval raised hopes and expectations that approval for Frone may be achieved in less than a year.

FRONE's main application is in the treatment and control of herpes and some viral infections. In Italy, it has captured almost the total market due to the absence of competition. InterPharm says it has strong patent positions regarding its products and because of the time it takes to develop such drugs, the competition may be some distance behind.

InterPharm president and chief executive, Ehud Geller, says that the company has completed its incubation period, and prospects look good, with just two products selling in two main markets. Approvals for registration are pending in a number of countries and new products are close to market readiness. He believes the importance of the FDA decision in approving the other in-

terferon drug, albeit on a narrow basis, is that it has established acceptance of the drug by the toughest drug administration agency in the world.

Geller, 40, took over the company from its founder Israel Makov at the end of 1985. Formerly deputy managing director and head of the pharmaceutical division of Teva, Geller has had extensive business and pharmaceutical experience in both Israel and the U.S.

One other reason for the growth in sales this year is the resumption of human growth hormone sales in the U.S. which had been interrupted because of some deaths possibly associated with the product. The product was modified by a new process, and sales resumed in April.

The next most promising development for InterPharm is the commercial production of "recombinant" interferon. Frone is produced by the "native" process, which means the product is developed from human tissue — in this case the use of human foreskins. The recombinant process is a genetic engineering process which will enable the company to produce greater quantities of a higher quality drug at lower costs. Geller says clinical trials are proceeding and registration with drug authorities is not far away.

GELLER believes that the Sero connection gives InterPharm a distinct advantage often not available to other Israeli companies in similar fields.

"Israeli companies are always strong in know-how and weak in implementation. For us this was solved by us being part of the Ares Sero system. Much of the marketing risk has been removed," he says.

InterPharm is structured to take advantage of the Sero connection. It manages MediPharm for Sero, which is a trading and marketing firm responsible for selling Sero products in Israel and the southern hemisphere.

The third company in the group is Inter-Yeda, the research and development arm. Inter-Yeda is 60 per cent owned by InterPharm and 40 per cent by Yeda, the commercial arm of the Weizmann Institute. This is the main reason the company is situated in the Kiryat Weizmann scientific park close to the institute.

InterPharm has spent almost \$10m. in research and development, with most of the money coming from off-balance-sheet sources. The Israel Bio-Engineering Project, a New York-based limited partnership, provided much of the initial capital, with the Chief Scientist's Office providing the remainder. To a large extent, American taxpayers have

funded a good deal of the research but this source of investment will be eliminated by the U.S. 1986 Tax Reform Act. Geller says that his company is lucky in that it has already raised much of the money needed for initial research and is now ready to take off.

InterPharm has high hopes for an Alpha C interferon on which it is currently conducting clinical tests for the treatment of a kind of leukemia. So far 14 of the 15 patients treated have recovered and are back to functioning normally. Geller says that such a 97 per cent success rate is phenomenally high for medical drugs.

However, he is careful not to exaggerate the claims of interferon drugs. A problem created for companies such as InterPharm is that the media exaggerated the potential for interferon drugs and now some people view the results as disappointing.

The number of applications for the drugs has been far from fully researched and Geller still believes the potential is substantial. Getting the drugs registered with drug authorities is the major hurdle, particularly so in the U.S. Geller expects 1987 to be a breakthrough for InterPharm's first product in the U.S. and there is a complete marketing organization waiting to exploit the opportunity.

## Zooming in on the image

A COMPUTER without a display monitor is about as useful as a radio without a loud-speaker. But while most radios come equipped with a built-in speaker, computer buyers often have to select the right display monitor from a bewildering range: small, large, monochrome, colour, graphic, and others. Here are some key questions that, when answered, can point you to the right choice.

Do you need a colour or a monochrome display monitor? Since colour monitors cost several times as much as monochrome monitors, it is important to determine whether you will even need your computer for a multi-colour display. Simple word-processing work hardly requires a colour monitor. On the other hand, if you want to use the computer for graphic designs or for any other artistic purpose, a monochrome display will dump a dull blanket on creative efforts.

If you intend to buy a second television set, make sure it can double as a display monitor and you've killed two birds with one stone.

Book-keeping assignments don't require a colour monitor; but with some programmes, the addition of colour adds to the clarity by creating a colour-code separation between various classes of information, helping to avoid optical mistakes that can lead to incorrect results.

Monochrome display monitors come in three varieties: green on black, amber on black and grey on black. It is recommended to try out all the variations before making your purchase. Some people sweat by green, and others will have nothing to do with anything but an amber monitor. Since there are no medical studies to prove one monitor less trying to the eyes than another, you should select the monitor that suits you best.

If you want to neutralize the glare from the monitor's glass surface, you can equip it with an anti-glare screen. This is a fine, dark mesh or a dark, tinted plastic that prevents the reflection of outside light.

Will my home colour television do for this purpose? Recruiting your television to do double duty as a colour display monitor can save money. But you may find the unavoidable competition that will result from using one set for a dual purpose a threat to domestic harmony. Home televisions usually have the same quality

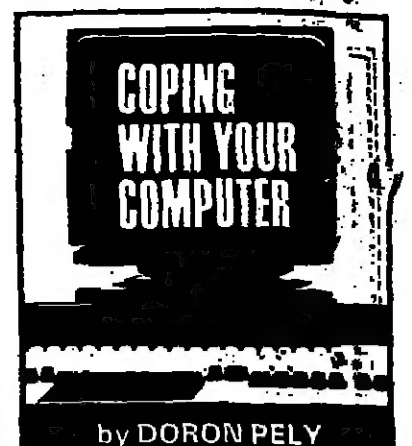


image as the cheapest colour monitors, so the expense saved will be offset by low-quality display. If you intend to buy a second television set, make sure it can double as a display monitor and you've killed two birds with one stone.

How large a monitor do I need? The guiding rationale when buying a television set is generally the size — you want to get the largest screen you can afford. But when you work with a computer, your eyes are very close to the display screen, and a large screen can be more trouble than assistance, since you'll have to keep on scanning it from one end to the other.

A small screen, on the other hand, might force you to squint, and affect your sight. If you pity your eyes, don't buy a display monitor smaller than 12 inches (diagonal) and larger than 21 inches.

What resolution do I need? Unlike television sets, where size determines price, the most important consideration in a computer display monitor is its resolution. A high-resolution display monitor gives a more detailed picture than a monitor with a lower resolution. Better quality colour monitors show more dots, and the distance between the dots — called the dot pitch — is smaller. If two display monitors have the same dot pitch, but are different sizes, the larger one will show more detail, because it will have more dots overall. Monitors can be roughly divided into low, medium and high resolution display.

Resolution is often denoted by a two-part numerical value such as 640x400; one value denotes the number of rows the monitor's screen is divided into, the other, the number of columns. The larger the resolution values (for similar size monitor) the better.

Are you happy with the display monitor's performance?

Don't buy a display monitor without checking it with the type of programmes you think you will use most, and trying it out on the computer you own or are about to purchase. Pay attention to the corners of the tube — that's where the quality of the display falls sharply.

If the image is blurry and unsteady, don't buy the monitor. Low-quality colour monitors tend to "bleed" colours and can become a real nuisance during prolonged work periods.

## Million seek Saint-Gobain shares

PARIS (Reuters). — Well over a million private individuals have bought shares in Cie de Saint-Gobain, the first state-owned group to be sold off by the French government, Saint-Gobain said yesterday.

The offering of 19.6 million shares in the glass and building materials maker closed on Saturday and the

final outcome will be known in about 10 days. With more than five times the 200,000 shareholders it had before its 1982 nationalization, the newly privatized Saint-Gobain will have the broadest ownership base of any company in France, a company statement said.

## CURRENCY MARKETS

### Dollar upswing likely to continue

The U.S. dollar closed sharply higher against most currencies last week as its ability to overcome a resistance level sparked a move of short-covering.

U.S. government officials, speaking at a conference, refrained from making any comments or calls for a further drop in the dollar to redress the U.S. trade imbalance.

The dollar's gain occurred following President Reagan's speech in which he announced the appointment of a special investigator in the Iran arms affair. The dollar further strengthened as economists in the U.S. indicated the benign economic data had run its course and that some improvement from current levels could be expected.

The commerce department reported that U.S. factory orders fell 3.6 per cent in October after a rise of 3.4 per cent in September. However, the leading indicator supported the dollar. A surprise jump of 0.6 per cent in the index helped the dollar rise further, since many had expected a rise of just 0.2 per cent.

The dollar is expected to strengthen this week particularly against the Swiss franc and the Deutschmark. It is likely to firm slightly against the yen following the accord between the U.S. and Japan which aims at helping the struggling Japanese economy by stabilizing the dollar-yen rate. The pound sterling should remain relatively strong against the mark and the Swiss franc while it will remain weaker against the dollar.

The column appears courtesy of Bank Barak Advisory Service.

### For some elderly, the golden years can lose their lustre.

But — you can help brighten up their lives. Through your generosity, The Jerusalem Post's For Some Elderly Fund helps the country's less fortunate elderly lessen the burden in their later years.

Your contributions go a long way —

**A sparkling social life!**  
The Fund supports and maintains day care centres, where our needy elderly can spend their time in a happy, social atmosphere, with arts and crafts, entertainment and kinship.

**Bring a little comfort into their homes!**  
Many of Israel's elderly people live in sub-standard homes that urgently require repair or renovation, as well as security measures such as locks or beepers.

**A glittering smile!**  
Your contributions help subsidize dental care for needy elderly who would otherwise be able to afford proper treatment.

PLEASE, HELP US HELP THEM. GIVE GENEROUSLY TO "FOR SOME ELDERLY".

Accepting Offices: The Jerusalem Post, 120 East 20th Street, New York, N.Y. 10022, U.S.A. or The Jerusalem Post, P.O. Box 87, Jerusalem 91000, Israel.

# Tiny firm catapults into high-tech heights

By DAVID ROSENBERG

Moshe Oron proudly pulls out a cheque for \$150,000 from ITT Corp. It is not a huge amount by the standards of that giant multinational, but for Oron's Kidron Digital Systems Ltd., it is likely the ticket into the world of successful high technology entrepreneurs. For Oron it is a vindication of a manufacturing and marketing strategy he has been pursuing for more than four years.

"It was just unbelievable," he says of the September 24 signing of his multi-million dollar accord with ITT's Qume subsidiary, of which \$150,000 represents an advance.

"They took a picture of the darned thing."

Already Kidron has felt the impact of the deal. A private placement of shares, amounting to \$3 million, is under negotiation with groups of Australian and American investors. Oron is talking about rehiring the 30 or so employees given leave of absence in the company's lean days and of moving out of the spartan facilities Kidron occupies in Jerusalem's Romema district to the more elegant Har Ha'hotzvim science park.

The key to Kidron's success lies with both its business strategy and its single product. The genesis of both occurred in California's Silicon Valley, where Oron was a visiting scholar at Stanford University.



Kidron's Laser OCTAVE unit attached to an IBM personal computer.

The product Kidron has is a control system for laser printers, one that a British computer magazine described as "several steps ahead of its nearest competitor." It put Kidron into the forefront of what many analysts believe could carry the high-tech sector out of its current doldrums. Laser printing enables a simple personal computer to produce printed material equal in quality to that produced on phototypesetting equipment and at a fraction of the cost.

The system developed by Kidron —

sold by the company as the Kidron Laser OCTAVE or Printlink, and soon by ITT as PageLink — acts as the brains of the laser-printing system. It provides the PC with the software to create different type faces, layout pages and works together with other PCs to create an integrated office-publishing system, as such set-ups are called.

Kidron's product brought it to the attention of ITT only three months ago, through Kidron's Australian distributor, Sigma Data. Until then Kidron had been marketing its sys-

tem via exclusive distributors in Europe and Australia, and had only sold in the hundreds of units. ITT was suitably impressed with what they heard from Sigma. Indeed, Sigma's president, Mike Faktor, first described the system at the beginning of September to ITT executives who asked to see a working demonstration on the 4th, called Oron in for a visit on the 5th and had a contract signed with Kidron by the 24th.

What ITT offered in Oron's understated assessment was a "very fair" deal. The giant U.S. telecommunications company knew it was lagging in the potentially enormous office-publishing market, and Kidron presented it with state-of-the-art technology designed, manufactured and ready for the market.

That is where the \$150,000 advance comes in. In the initial phase of the accord, ITT is committed to buying 3,750 units of the proprietary portion of the controller system, including software, font cartridges and circuitry for about \$1.25m. By the end of 1987, the U.S. company is committed to purchase a total of 12,000 units. In exchange, ITT is getting exclusive marketing rights for all of North and South America, and right of first refusal to market any new Kidron products.

Under the accord, Kidron not

only gets marketing rights in Europe, Asia and Africa, but keeps exclusive rights to the technology.

Needless to say, the tie-up with ITT has fired the interest of investors, although Israeli investors have proved the more resistant. Oron says that is unfortunate, because without sufficient Israeli interest in the private placement now being hammered out, Kidron will pass mostly into foreign ownership.

Under the plan now being discussed, new shareholders would get 20 per cent of Kidron for a total investment of \$3m. That would leave the company 20 per cent owned by a Texas partnership, Dominion, whose members include actor Kirk Douglas; 30 per cent by Paltek, a California company represented in Israel by Oron; and about 10 per cent each by a trust for employees, private Israeli investors and Nikuv Computers Ltd.

Although Kidron's ITT connection should sufficiently whet the appetite of Israeli investors, Kidron still has to contend with the sour taste left in many investors' mouths by the disappointments such previous high-tech success stories as Scitex Corp and Elscint Ltd. turned out to be.

Oron contends that the business plan he has been pursuing for the past four years, since Kidron was founded, will protect it from the kind of setbacks other Israeli companies have experienced. Scitex and Elscint, he recalls, created "huge operations" that included their own manufacturing facilities and worldwide sales forces. Both factors gave the companies wider profit margins while their respective markets were strong, but once the market experienced a downturn, such companies were in serious trouble. They had created a tremendous edifice without the sales to support it.

Kidron has been a bare bones operation from the start, mostly out of necessity, now, even with the money flowing in from ITT, Oron says he intends to keep his operation lean. Indeed, it is the ITT link that will enable him to do so.

The U.S. company will enable a tiny company like Kidron to conquer the all-important American market much faster than it could ever hope to do on its own and at no cost. Manufacturing costs and investments will be kept to a minimum by producing most of the components and all of the sub-assembly work in Taiwan, where ITT has its own facilities.

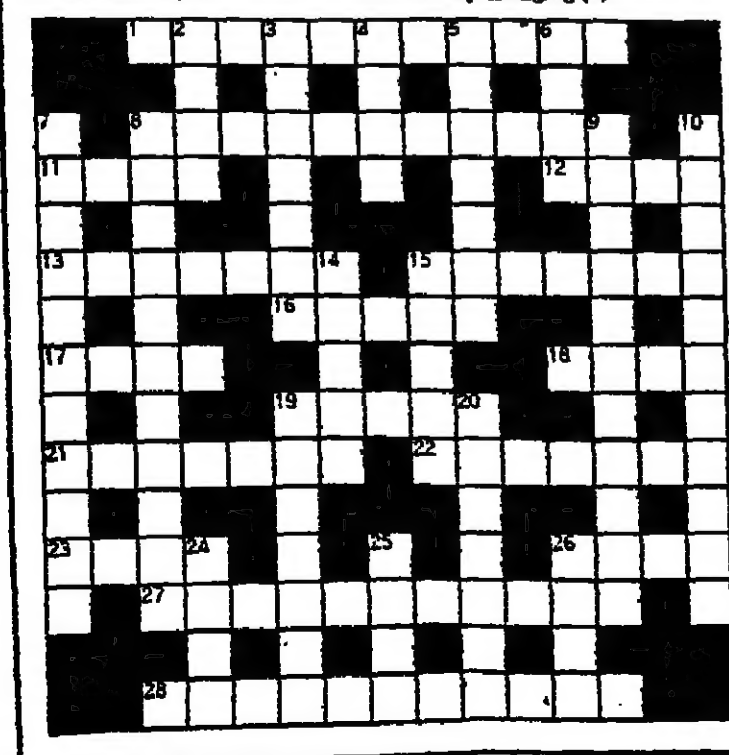
Interestingly, while Kidron is letting ITT do its marketing in the Americas, Kidron will follow a different strategy in the markets left to it to develop. "Unlike the Americans, the Europeans like to buy from themselves," Oron observes. As a result, Kidron will set up OEM agreements or joint ventures with European partners or give its products a local flavour.

Counting both orders from ITT and its own sales, Kidron estimates turnover will reach \$7.5m. next year, netting it an enviable \$2.25m. By 1989, Oron forecasts sales of \$16.7m. and profits of \$7.5m., by which time the company is expected to have gone public.

With just a few hitches, Oron's strategy has borne fruit. The odds now look good that a \$12m.-a-year Kidron will be trading on the U.S. stock market before long.

## ONE-ON-ONE CROSSWORD

- |  |  |
|--|--|
| <b>ACROSS</b>  | <b>DOWN</b>  |
| 1 A moron rests badly, scientists found (11)             | 2 Give lots of water to a bearing tree (4)                                       |
| 8 In a word, not affected by retirement (11)             | 3 Telephone to get assistance in making an assault (7)                           |
| 11 See many duck all right! (4)                          | 4 Out of gear (4)  |
| 12 Learning a new role (4)                               | 5 Inexperienced driver in erratic motion, though there's night-time lighting (7) |
| 13 Within the family circle men try to be indulgent (7)  | 6 Bar banter (4)   |
| 15 Fitting aid for the person mad about flying (4-3)     | 7 Power in the main (11)   |
| 16 An animal about right for the money (5)               | 8 He requires staff for the spring (4-7)   |
| 17 Study having to do with modern times (4)              | 9 Correspondence as the result of an accident? (11)                              |
| 18 Generous nature (4)                                   | 10 When people are late they must be paid (5,8)                                  |
| 19 Press a top player to accept small change (5)         | 14 Tear into the heartless. It's foolish (5)                                     |
| 21 Gather it's different to all in the Church (7)        | 15 A few entering the married state dapped (5)                                   |
| 22 A drop of French perfume (7)                          | 16 Anecdotes — politicians get the point first (7)                               |
| 23 Draws certain items of attire (4)                     | 20 Give great pleasure if lighted maybe (7)                                      |
| 26 Each twist causes some discomfort (4)                 | 24 The on-looker (4)   |
| 27 When people are too modest to continue working? (8,3) | 25 Some new friend is courteously taken round flat (4)                           |
| 28 Words wound one on indictment (11)                    | 26 A private American ring for money-changing (4)                                |



## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

Jerusalem: Yerushalayim, 212 Yaffo, 520073; Baitan, Salah Eddin, 272315; Shu'arim, Shu'arim Road, 910108; Dar Al-Ain, Harat Gilo, 250038.

Tel Aviv: Lev Ha'ir, 69 Ahad Ha'am, 613862; Tel Aviv, 36 Telumim, 636193; Netanyah: Kipat Holim Meuhedet, 13 Harel Kook, 446855.

Haifa: Yermi, 7 Ibn Sina, 672288.

### DUTY HOSPITALS

Jerusalem: Elkor Hofim (pediatrics), Hadassah Ein Kerem (internal, surgery, orthopedics, E.M.T.), Misgav Ladach (obstetrics), Shazar Zedek (ophthalmology), Tel Aviv: Roshim (pediatrics), Ichilov (internal, surgery), Netanyah: Larko.

### POLICE 100

Dial 100 in most parts of the country. In Tel Aviv dial 524444, Kiryat Shmona 4444.

### FIRE 102

In emergency dial 102. Otherwise, number of your local station is in the front of the phone directory.

### FIRST AID 101

In emergency dial 101 in most parts of the country. In addition:

Ashdod 41333, Ashdod 23333, Kiryat Shmona 44333, Tel Aviv 524111, Be'er Sheva 74757, Netanyah 23333, Carmel 988555, Dan Region 781111, Elit 7233, Rehovot 461333, Roshon LeZion 942333, Safed 30333, Tel Aviv 240111, Tiberias 90111, Haifa 512233, Hadera 30333, Netanyah 23333, Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Ezer" — Generalist First Aid, Tel. Jerusalem 227171, Tel Aviv 261111 (children), youth 03-261113, Haifa 672222, Be'er Sheva 418111, Netanyah 35316.

Shazar Zedek (24 hours), for help call Tel Aviv 24678, Jerusalem — 246554, and Haifa 352611.

Jerusalem Institute for Drug Problems, Tel. 630328, 630322, 14 Beit Shimon, Tel. Jerusalem 227171, Tel Aviv 261111 (children), youth 03-261113, Haifa 672222, Be'er Sheva 418111, Netanyah 35316.

The National Police Control Centre at Ramat Hashikma, phone 04522205, for emergency calls, 24 hours a day, for information in case of poisoning, Kipat Holim Information Centre Tel. 02-433000, 433000 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

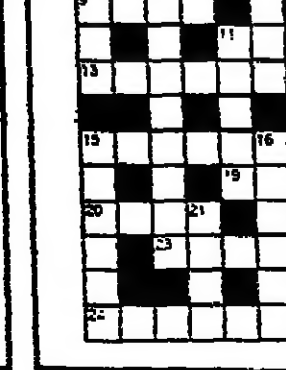
### FLIGHTS

24-Hours Flight Information Service: Call 02-972484 (multi-line), Anytime Only (Taped Message) 02-971111 (20 lines).

### QUICK CROSSWORD

#### ACROSS

- 1 Supporter
- 4 Croaky
- 7 Many-legged insect
- 9 Assist
- 15 In a foreign country



#### DOWN

- 2 Retain
- 3 Go round
- 4 Occur
- 5 Tots up
- 6 Come out
- 7 Place of learning
- 8 Skin
- 11 Sweetener
- 12 Root
- 13 Fisherman
- 14 Fault
- 15 Whiskey
- 16 Recluse
- 17 Whistle
- 18 Act

### Friday's Solutions

**BUDDY BRAZILIANUT**  
O I B R O E  
B E L L O W S C R I M S O N  
T E N O C A S E S  
A R M Y S I R A T O B E E  
U U U E A  
H E A D P O I S O N I N G F  
B S S B E R  
Q U E S T I O N A I R E  
U T I L I T Y  
M A I N A C R I D S T E M  
H L E A S S E A  
L E I E I S O  
P A R T I D G E S T E R N

**QUICK SOLUTION**  
ACROSS: 1 Polish, 7 tree, 8 Excursion, 9 Rat, 10 Dave, 11 Ampeba, 13 Tremor, 14 Undone, 15 Pillow, 18 Avid, 20 Par, 22 Scoundrel, 23 Tough, 24 Greenery DOWN: 1 Plead, 2 Lacarne, 3 Sure, 4 Enigma, 5 Zebra, 6 Lacarne, 7 Inferno, 12 Goodie, 13 Towpath, 14 Obverse, 16 Colour, 17 Proud, 19 Dally, 21 Kneel.

فردا من الهم



## MARKET PLACE

PINHAS LANDAU

### Hoteliers moan in Jerusalem

First the facts: The Jerusalem hoteliers met yesterday and cried on each other's shoulders about their woe. In particular, the five-star generals bewailed the dearth of canon fodder - sorry, American tourists. They started firing implicit and explicit threats at the government.

They also said, as is their wont, that their industry was of immense economic importance, and that the "added value" of the tourist industry was the highest of any exporting sector, all of which is more or less true. Then they pushed on to the boring old conclusion: Since they are so important, the government should support them, either by boosting the number of shekels they get for each dollar they earn, or by helping them advertise themselves abroad, and/or by various other methods.

Now the facts, hot off the press from the Central Bureau of Statistics, 1) 86,200 tourists came to Israel in November. 2) After adjustment for seasonal factors, this figure represents a 32 per cent increase over the average level of June-October this year.

The numbers themselves can be presented on a seasonally-adjusted basis, and the CBS is kind enough to do this, with startling results, because 3) November turns out to have been the best month for tourism so far this year, and that by a long way. It was also better than November 1985 - the month after the Achille Lauro ship hijacking and the bombing of PLO headquarters in Tunis, and much better than November 1984, when terrorism was not the number one problem and the dollar was near its peak. Without wishing to press the point too hard, the statistical truth is 4) that November 1986 was the best month for tourism in the last three years - seasonally adjusted, please remember, because November never was high season.

November, in short, may well be the beginning of a new trend in tourism, marking a reversal of the 1986 catastrophe. For the year to date, the millionth tourist only arrived last month, when the total reached 1,006,100. In the same period in 1985 - the record-breaking year for tourism - we had 17 per cent more, or 1,174,000 persons. But it may be that the worm has turned. Even the first nine months of this year, while sharply down on last year, were not quite as terrible. The industry's sobriety might lead one to believe: \$69,000 came, which is a long way from 1985's \$46,000 but marginally better than 1984's \$71,000.

What, then, is all the moaning about? The clue is that it is the Jerusalem brigade which is belying the most. The capital's hoteliers have come a cropper because they built too many hotels. Most of these five or four stars and aimed at upmarket tourists. Furthermore, they were financed with expensive loans that turned out to be impossible to service, and meant to cater to Americans, whose absence has been the source of all the trouble this year.

That is not to say that the frozen shekel/dollar exchange rate and the slump in U.S. tourism are minor matters that can be shrugged off. Far from it. The Dan Hotels chain's half-yearly results for the April-September period, published last week and showing a move from profit to loss, prove that even a geographically diversified and reasonably well-run operation, which does not have enormous financing costs killing it, has been unable to do well in the current environment. All the more so, therefore, for the Jerusalemites.

But that is no reason whatsoever for the government to intervene, in any shape or form. Terrorism, unfortunately, is beyond its control, especially if it is in the Mediterranean, Athens, Rome, Karachi or Istanbul. The dollar's fortunes are also not in its purview.

In other words, if the tourist industry has got problems - and it has - it should get on with sorting them out. It should have had luck or incompetence. Jerusalem hoteliers cannot make a profit, let them go bust, and the quicker the better.

## Solel Boneh heads stay resignations

By MICHAEL YUDELMAN  
Jerusalem Post Reporter  
TEL AVIV - Solel Boneh Chairman Moshe Sambar and Director-General Ehud Shilo yesterday froze their resignations for two weeks, to allow time to discuss their grievances.

Sambar and Shilo submitted their resignations yesterday to the company's board of directors, but agreed to freeze them at the urging of Histadrut Secretary-General Yisrael Kessar and Hevrat Ha'ovdim Secretary Danny Rosolio.

Sambar and Shilo explained that the pay raises imposed on Solel Boneh by the Histadrut would increase the company's deficit and damage its recovery programme. Having to pay the raises also would make it more difficult for Solel Boneh to compete for projects in the shrinking housing market.



Ehud Shilo (left) and Moshe Sambar.

Furthermore, the two said, the wage increases, which will cost some

are being imposed from the outside. Solel Boneh's board of directors decided two weeks ago that the company cannot afford to finance both the recovery programme and wage increases from its own funds. Hevrat Ha'ovdim must come up with the money, the board concluded. So far the funds have not been found.

Rosolio had informed the board at the time of his support and that of Kessar for Solel Boneh's management. Rosolio said Kessar had urged Sambar and Shilo to withdraw their resignations.

The board yesterday supported Sambar and Shilo, but asked them to freeze their resignations until they have discussed with Kessar and Rosolio the issues under dispute.

Sambar and Shilo are to announce at the next board meeting their final decision on whether or not to resign in two weeks.

### Import rise persists in November

Post Economic Reporter  
Imports of goods in November totalled \$860 million, maintaining the strong upturn in imports in evidence all year, and especially in recent months.

This is the main conclusion of the Central Bureau of Statistics in its analysis of the import figures for last month. It should be noted, however, that the data refer only to goods and not to services. The inclusion of the latter, in both imports and exports, can have a significant impact on the overall picture, particularly since a major component of service imports, namely debt payments, have become cheaper this year as international interest rates have fallen.

Of November's \$860m. total, 71 per cent were production inputs, including diamonds and oil, 18 per cent were investment inputs and 11 per cent were imports of consumer goods. The last group, though the smallest, showed the sharpest rises, and not just in November. In the five months since July, consumer imports have been running at an average \$90m. - 25 per cent more than in the second quarter of this year and 43 per cent more than in the first quarter.

The figures for consumer durable imports - cars, TVs, videos and the like - showed even more greater increases.

### BANK ROBBERS

(Continued from Page One)

ress, also alerted a passing police car. The man, who requested anonymity, told The Post that he had noticed the robbers the moment they had sidled up from an alleyway and covered their faces with masks. They were brandishing a pistol and a machinegun. They stormed in, as if they were in a military exercise, each covering a section of the hall.

After failing to crack the safe, the robbers began collecting money from the tellers' tills, depositing it in a nylon bag.

They were disturbed, however, by sirens from police cars rushing to the scene. They fled, but according to an eyewitness, were intercepted outside by the first police to arrive.

Three policemen gave chase through alleyways and unit courtyards, with the robbers meanwhile dropping on the way the nylon bag which contained NIS 500 - the sum total of their loot.

The pursuing policemen fired warning shots in the air as the robbers entered a dead end, encountering a high wall at No. 17 Lilienblum Street. They returned fire with the pistol and Uzi, wounding a police officer.

Following the ensuing short exchange of fire, both robbers were wounded, one in the leg and the other in the leg and buttocks.

An hour after the dramatic end of the botched robbery, a puddle of blood from the wounded police officer still covered the courtyard.

Across the road, the rear-window of a car was shattered by the Uzi bullets. A truck nearby had its front wheel punctured.

Police sources told The Post later that the robbers are well known to the police and would be questioned for a possible link with 14 unsolved diamond-plant robberies.

At Ichilov Hospital, the police officer underwent surgery last night and was reported in critical but stable condition.

### J'lem hotels may close for X-mas

By GREER FAY CASHMAN  
Jerusalem Post Reporter

Most of Jerusalem's 30,000 hotel workers may find themselves temporarily unemployed from Christmas Day if hotel owners and managers carry out their threat to close all the hotels in the capital in protest against government failure to stem the drop in hotel revenues.

The threat - to close the hotels for one week - was made last night at an emergency meeting at the Ramada Renaissance hotel, convened by Jerusalem Hotel Association chairman Yehuda Greenbaum.

Both Greenbaum and Israel Hotel Association chairman Maurice Casouto pushed for closure, but emphasized that such a move would be effective only if all the hotels in the capital closed - including those which belong to international chains.

Casouto's son Avi who manages the Ram Hotel at the entrance to the city said that some hotels are in such dire straits that they cannot pay wages, electricity bills or municipal taxes. "If they don't close of their own accord," he observed, "they will be closed down by their creditors."

Moshe Ben Giat, one of the owners of the Laromne Hotel, called on hotels across the country and on the

Jerusalem Labour Council to back whatever action the Jerusalem hotels decide to take.

The most vocal opposition to the proposal to close hotels during Christmas came from non-Israelis Edmond Pinczowski, the general manager of the Sheraton Plaza hotel and Harvey Douglas who represents the owners of the Ramada.

The other voice which spoke out loudly against closure was that of Raphael Farber, the director-general of the Tourism Ministry who stated unequivocally that closure would be a mistake. Addressing himself to the executive of the JHA,

Farber said, "you haven't exploited all the alternatives."

Closure would be self-defeating, he pointed out, because tourists would take their trade to Tel Aviv and bus to the sites in the Holy City.

Undaunted, Greenbaum vowed that unless a concrete decision was made within the next few days by an actions committee appointed last night, he would propose at the annual convention of the Israel Hotel Association on Thursday that all hotels throughout the country close on December 25.

### UNREST

(Continued from Page One)

increased Israel's security. It was a defence burden, he said.

Minister without Portfolio Yosef Shapira said that the security forces should show "restraint" and that greater punishment of law-breakers should be imposed if order is to be maintained. He suggested that universities should be closed not for two days but for a month, if that is what was needed to restore order.

Economics Minister Gad Ya'acobi yesterday said that the disturbances were an attempt to block the political process leading towards

peace and "were a reaction to the steps already taken, of transferring powers to the local population and the appointment of (non-PLO) mayors. The disturbances are not marginal. They are politically very serious, grave and worrisome. Israel must not relate to them only militarily or in terms of maintaining law and order," he said.

Ya'acobi suggested that Israel in the coming months must try to speed up the transfer of powers to the local population "and to reduce tensions in the sphere of settlement."

### Tel Aviv Stock Exchange

#### MARKET STATISTICS

<b>Indices:</b>					
General Share Index	123.19	-0.43%			
Non-Bank Index	161.54	-1.1%			
Arrangement	107.04	-0.02%			
Insurance	180.83	-0.84%			
Commerce, Services	196.73	-1.12%			
Real Estate	199.31	-1.38%			
Industrial	144.94	-1.20%			
Textiles	186.90	-0.06%			
Metals	186.54	-1.11%			
Electronics	100.18	-2.42%			
Chemicals	215.45	-0.31%			
Industrial Invest.	141.06	-0.75%			
Investment Cos.	184.60	-0.98%			
General Bond Index	115.16	-0.92%			
Index-linked Bonds	116.75	-0.38%			
Fully-linked	162.00	-0.39%			
Partially-linked	115.72	-0.15%			
Dollar-linked Bonds	94.25	-0.65%			
Short-term 0-2 yrs	112.31	-0.30%			
Medium-term 2-5 yrs	116.20	-0.18%			
Long-term 5+ yrs	108.55	-0.53%			
<b>Turnovers:</b>					
Shares - total	NIS 10,142,800				
Arrangement	NIS 2,444,500				
Non-bank	NIS 7,698,300				
Bonds - total	NIS 4,981,700				
Index-linked	NIS 2,682,700				
Dollar-linked	NIS 2,168,700				
Treasury Bills	NIS 22,126,800				
<b>Share Movements:</b>					
Advances	63	(67)			
Declines	2	(2)			
of which 5% +	2	(2)			
"buyers only"	2	(2)			
Declines	200	(168)			
of which 5% +	28	(22)			
"sellers only"	28	(22)			
Unchanged	116	(125)			
Trading Unit	40	(39)			
<b>Bond Market Trends:</b>					
Index-linked:					
3% fully-linked	Stable/mixed to 1%				
4.25% fully-linked	Stable/mixed to 1%				
80% linked	Stable/mixed to 1%				
Double-linked	Rises to 0.5%				
Admon	Stable/mixed to 0.5%				
Rimon	Rises to 1%				
Gilboa					
For. Curr.					
denominated					
Treasury Bills	20.00%-21.50%				
<b>Arrangement yields:</b>					
IDB 0.1	15.85%				
Union 0.1	15.82%				
Discount A	15.84%				
Mizrahi r	15.70%				
Hapoalim r	15.85%				
General A	15.80%				
Leumi stock	15.84%				
Fin. Trade 1	15.72%				

#### SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	Change
<b>Commercial Banks</b>				
(not part of "arrangement")				
Maritime	1156	1011		
General non-arr.	3480	1247	-2.5	
First Int'l	4400	2870	-1.1	
<b>Commercial Banks</b>				
(part of "arrangement")				
IDB	81550	434		
Union 0.1	60700	56	-0.3	
Discount	104100	387		
Mizrahi	33540	4126		
Hapoalim r	55420	1324		
General A	141700	22		
Leumi 0.1	35201	1647		
Fin. Trade	46800	1		
<b>Mortgage Banks</b>				
Leumi Mort. r	7050	181	+0.7	
Dev. Mort.	2250	595		
Mishkan r	2546	708	-5.0	
Tafelhot	16200	50	-1.8	
Merav r	6150	235	-1.9	
<b>Financial Institutions</b>				
Agrie C	no trading			
Ind. Dev. DD	no trading			
Clal Leasing 0.1	19400	66	-1.0	
<b>Insurance</b>				
Ararat 0.1 r	1442	1412		
Leumi 0.1	235	25870	-1.5	
Phoenix 0.1	724	6680	-1.5	
Hamishan r	7000			
Menahem r	2175	65	+1.8	
Sahar	5725	71	-1.8	
Zion Hold. 1	8700			
<b>Trade &amp; Services</b>				
Meir Ezer	1270	817		
Supersol 2	7260	894		
Delek r	3305	1671	-0.9	
Lightage	14012	24	-0.6	
Cold Storage	no trading			
Dan Hotels	1600	57	-2.4	
Yarden Hotel	2720	28	-2.2	
Vilon r	24581	3	+3.8	
Team 1	1863	888	-1.7	
<b>Real Estate, Building and Agriculture</b>				
Azorim	818	4825	-0.6	
Elon	12101	2	-3.0	
Africa Int. 0.1	37480	185	-1.1	
Dankner	4466	700	+0.2	
Prop. & Bldg.	3115	2978	-3.0	
Bayside 0.1	4400	388	-0.1	
LDC	59450	303	-1.7	
Rasor r	7843	401	+10.0	
Mehadrin	7800	323	-1.3	
Hedatim	1331	2321	-1.9	
<b>Industrials</b>				
Dubek B	4000	1540	+1.3	
Pri-Ze 1	no trading			
Sumitomo	11930	184		
Elit	18230	300	+0.2	
Adgar	531	3338	-0.4	
Argaman r	18050	238	-2.7	
Delta 0.1	2950	908		
Magenta 1	8340	612		
Eagle 1	13850	58	+3.0	
Polgar	3680	975	-1.5	
Schoellerline	14700	47	-2.0	
Regosin	2850	1248		
Urdan 0.1 r	7030	350	-7.3	
Is. Can. Co. 1	2505	2527	-0.6	
Zion Cables	2405	783	+1.7	
Peter Steel	14175	182	-0.5	
Elbit	383000	20	-1.5	
<b>Elron</b>	292000	20	-5.2	
Art	31650	88	-2.2	
Clal Electronics	2080	883		
Spectronix 1	2000	1183	-2.4	
T.A.T. 1	4300	271	+2.70	
Agri 5	850	1863	-2.8	
Alkermat 1	16500	118	-2.9	
Alliance	2460	171	+3.8	
Deder	3110	151	-4.3	
Fertilizers	5000	87	-2.0	
Hafco Chem.	410	9210		
Teva r	7570	1220	-2.0	
Dead Sea r	4515	2941	-0.2	
Petrochem.	560	14069	-1.6	
Mega Chem.	7145	758	-1.8	
Frutimor	13850	78	-0.4	
Hadera Paper	254000	95	-1.4	
Central Trade	8170	124		
Koor p	6500000	0	-2.0	
Clal Inds.	1527	24103	-1.2	
<b>Investment Companies</b>				
IDB Dev. r	5010	2547	-1.0	
Elron	3350	1020		
Agri 5	235	4476	-4.1	
Gahelet	1480	278	-5.1	
Israel Corp. 1	9810	2852		
Wolfson 1 r	115000	0	+0.9	
Hapoalim Inv.	6267	1195		
Leumi Invest.	no trading			
Discount Invest.	22820	6148	-1.7	
Mizrahi Invest.	2122	146	-0.5	
Clal 10	819	3251	-1.1	
Landeck 0.1	4300			
Pama 0.1	11500	221	-0.5	
<b>Oil Exploration</b>				
Paz Oil Expl.	18500	48		
J.O.E.L.	3528	1854	-2.0	
<b>Abbreviations:</b>				
s.c. sellers only				
b.c. buyers only				
b. broker				
r. registered				

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## A refuge for criminals?

ISRAEL, as every schoolchild knows, is a country of laws, not of men, however high and mighty they may be. It therefore stands to reason that actions taken by Israel's government ministers must be within the law. Where the issue of legality is not clear-cut, it falls to the High Court of Justice to resolve the matter. Lately the government has been seen increasingly to force the high court, if only by default, to step in and reconcile policy with legality.

This has given rise - mainly on the political Right - to the false complaint that the high court is seeking to impose a "legal dictatorship" on the government.

The court is doing nothing of the sort. It, if anything, takes great heed not to substitute its own policy judgment for that of the government. But where the reasonableness of a minister's considerations in exercising a discretionary power is challenged, the court will, as it must, judge it by applying legal standards of reasonableness. This is what the court has undertaken to do in taking up for review Justice Minister Avraham Shari's decision last Thursday not to extradite William Nakash back to France so that he could stand trial there on a charge of murder.

Mr. Shari's reasons for declining to observe the provisions of Israel's extradition treaty with France in Mr. Nakash's case are not clear.

All that the justice minister has deigned to state publicly is that opposition to what became known as his "Nakash Bill" - which would have allowed the fugitive from French justice to spend, in an Israeli jail, two thirds of the life-term he had received there in absentia - left him no other choice. This, because, according to Mr. Shari, French jails are unsafe for the Jewish murderer of an Arab and because it would be cruel to keep Mrs. Nakash separated so long from her husband.

If these were the only reasons put forward by Mr. Shari at his meetings with the ministry's senior staff, and with the attorney-general, Yosef Harish, during the past few weeks, it is no wonder they failed to convince. Whether the government would have found them persuasive had the matter been placed on its agenda for a ruling, is moot. The Likud and the religious parties may well have assured Mr. Shari's recommendations a majority.

The issue did not, however, come up for a vote, or even a discussion, yesterday because the high court, as the premier observed, was already seized with the matter.

To his credit, Mr. Shari has not - at least not publicly - invoked the justification for non-extradition most often cited by "friends" of Mr. Nakash: their claim that he was not a gang murderer, as found by the French court, but a gallant fighter for his people's honour who had slain a base Arab anti-Semite in Besancon. This version of the affair had already been dismissed by the high court when it decided, last September, that Mr. Nakash was extraditable.

Since Mr. Shari is not on record as having probed safety conditions in French jails in any depth, it is, however, hard to assess his assessment that there is at least "a grain of truth" to suspicions that Mr. Nakash might be a dead man if extradited. The available information seems to indicate that French prisons are safer than Israel's. And Mr. Nakash, having now been elevated in some circles to the status of a Jewish national hero, though he was apprehended by the police here while preparing a crime, may easily be a target for terrorist attacks even as a free man in Israel itself.

The argument from Mrs. Nakash's plight if extradition had not been denied, is too noble to be queried. It will remain for the high court to determine whether it is also relevant.

In the final analysis, the Nakash case concerns not the fate of one man, the first escaped Jewish murderer whom Israel may have refused to extradite; nor even the future of the extradition treaty with France, which the French may be willing to waive, but this country's concept of itself. Will it remain a country of laws or become, by perverting the Law of Return, a declared haven for Jewish criminals?

## CHIRAC REGIME

(Continued from Page One)

Other unions asked their members to stop working for one hour in mourning for student Malik Ousseline, who died early Saturday after being severely beaten by police.

An official autopsy has confirmed that Ousseline was beaten, but said he died of cardiac arrest stemming from earlier kidney problems, but a first aid squad that treated him seconds after policemen clubbed him said he had open wounds all over his face and his skull was fractured.

The Jerusalem Post has learned that the student's relatives have not been allowed to see his body.

The French government itself was divided yesterday on how to respond to the protests. Chirac had not yet accepted the resignation of Alain Desautel, the minister for research and higher education and the author of the controversial university reform bill.

In private, one member of Chirac's government fumed over the brutal repression of the latest student demonstrations. "This stupid bill certainly did not justify the killing of the young man," he said.

Strains are clearly showing in Chirac's centre-right coalition in the National Assembly. Jacques Barrot, a centrist leader, has demanded that the government "reveal all of the

circumstances of the [Ousseline] death."

Jacques Chaban-Delmas, the president of the National Assembly and a member of Chirac's party, said in a voice breaking with emotion that he was chagrined by the death. He briefly suspended the Saturday session "as a sign of mourning."

Jean Lecanuet, leader of the centrist group in the assembly, said the present crisis was probably due to "the speed with which the great reforms are being conducted."

The government, he said, "must not cut itself off from the country's youth."

The students complain that the bill contains provisions that would make higher education "elitist."

Currently, any high school graduate can attend university and study whatever he chooses. The reform bill would let universities set admission standards and courses to study. It would double the 400-franc (NIS 90) registration fee and allow universities to issue their own diplomas rather than state diplomas that do not say which school a student attended.

Education Minister Rene Monory announced Friday on national television that the three most controversial parts of the bill would be withheld for further study. But he said parliamentary debate would proceed on the rest.

## NO LET-UP

(Continued from Page One)

off an alley from which petrol bombs were hurled in November, security sources said.

In Gaza a youth was lightly wounded when troops shot in the air to disperse stone-throwing demonstrators. Palestinian sources said shopkeepers in Khan Yunis shut their stores, and troops in jeeps with loudspeakers ordered that the shops be reopened.

In East Jerusalem an Israeli bus

driver was hurt when two Egged buses were hit by stones. Earlier, four petrol bombs were thrown at an Arab home in the Armenian Quarter of the Old City. Two bottles shattered a window and landed inside the house, causing little damage.

Pupils in East Jerusalem stayed away from classes and tried to demonstrate, but were dispersed by police.

DRIVE  
CAREFULLY

# A battle in the war over Jewish identity

Yosef Goell

LAST WEEK'S decision of the High Court of Justice in the Shoshana Miller case, forbidding the minister of interior to wriggle out of the legal requirement to record her in the population registry as Jewish, by adding the invidious label "convert," is a very welcome development. The decision highlights one of the bright spots in our public life: the High Court's steadfastness in fulfilling its role as protector of civil rights against administrative arbitrariness, and disdain for the law of the land.

But the decision in Miller vs. the Minister of Interior, was clearly only a skirmish in a continuing struggle, a struggle over the question of what determines Jewish identity in the new reality of a largely secular Jewish state and Jewish people in a modern world. The Shas Minister, Rabbi Yitzhak Peretz, is said to be considering a request for a rehearing before a High Court panel of five, instead of the three justices who ruled on the case last week. He was also reported to have threatened Shoshana Miller, who made aliyah after her conversion in the U.S. by a Reform rabbi, by saying: "We will just have to wait and see what happens to Shoshana Miller when she wants to get married."

One can well understand Rabbi Peretz's chagrin. As far as he is concerned, Shoshana Miller remains a goy as do all converts undergoing conversion to Judaism by other than an Orthodox rabbinical panel. "Even if a goy is recorded a hundred times in his identity card as a Jew, he remains a goy, unless a rabbinical court rules him Jew," Peretz fumed after the High Court handed down its decision.

But the fact remains that Rabbi Peretz did not resign as minister of the interior, as he had threatened to do if the decision went against him. It should be remembered that Agudat Israel, from which he and his Shas supporters split away two-and-a-half years ago, has, up till the present, adamantly refused to accept seats in the cabinet - although they have served in government coalitions since Menachem Begin became premier in 1977 - specifically so as not to become enmeshed in the sort of dilemmas and no-win situations that now confront Rabbi Peretz and his mentors in the Shas Council of Torah Sages.

Shas is reported to be considering other alternatives, such as eliminating the requirement to record nationality in the identity card, or the opening of a pedigree book of "authentic Jews" by the rabbinate, for the purpose of guiding marriage registrars in blacklisting Jews with suspect pedigrees when they come before them to be married.

In a leading article in Friday's *Hatzofe*, the National Religious Party's daily, its editor, Moshe Ishon,

counsels against such steps. He very correctly expresses his doubt regarding the likelihood of a broader High Court panel reversing last week's decision. He also warns against tinkering with other proposals in case it results in court cases that could endanger the monopoly over marriage and divorce that the Orthodox rabbinic enjoys today. This is very sound advice, although the only alternative he could suggest was to continue pressing for a revision of the Law of Return.

The vast majority of Israel's non-observant Jews today accept, and many even enjoy, the performance of marriages by rabbis, especially since most of the rabbis do not push their presence too aggressively. Orthodox rabbis perform marriages in kibbutzim in the full knowledge that kibbutz kitchens are not kosher. In the cities, rabbis consciously refrain from demanding that wedding guests be segregated according to sex, as is the practice among the ultra-Orthodox. They are aware that going beyond the present live-and-let-live arrangements could well endanger the Orthodox monopoly over marriage.

RABBI PERETZ'S failure to resign is an important point. For it means that even the ultra-Orthodox retain a very broad pragmatic streak and will bow, if need be, even to the most unpalatable realities. They have also failed to make good on threats of quitting the government coalition, after failing to push through the proposed amendment to the Law of Return that would have withdrawn recognition from non-Orthodox conversions. When it came to the crunch nothing happened.

Nor should warnings of splitting the Jewish people be taken too seriously. The fact of the matter is that the ultra-Orthodox are the ones who have been doing whatever splitting has been going on. Even without the benefit of a "pedigree book," it is they who will not permit their children to marry mine, and not the reverse, or even the children of Jews less observant than they are, (although truth to tell, my children do not ask me whom they may or may not marry; it is they who will not eat in my house, and not the reverse).

It should be remembered, at a time of cynical sell-outs by secular party politicians, that the fully-observant Orthodox are no more than 15 per cent of the Jewish population in Israel, and an even smaller proportion in the Diaspora. It is only civil for the large secular majority to be forthcoming in seeking to make it as comfortable as

possible for those who want to lead an observant life to do so, with a minimum of sacrifice. But there are clear limits to the sacrifices that the secular majority can be asked to make. It takes a whole lot of *chutzpa*, however, to advance the claim that not giving in to the strident demands of the most extreme among the ultra-Orthodox, will result in a split in the people.

The lesson of the Shoshana Miller case is that it pays to fight in the struggle for the determination of Jewish identity. And in this particular case, too, there will certainly be many more battles. Not all of them will result in victory, but one should not shrink from the struggle.

For me, the most heartening fact highlighted by Shoshana Miller is that there seem to be quite a number of non-Jews out there who find that what Jewish life has to offer is so attractive as to make them want to join us. This reality is of far greater importance than the much more marginal question of the specific ritual by which they will be initiated into the fold, or which school of medicine men will do the initiating.

There are figures that speak of over 100,000 such converts in the U.S., the overwhelming majority of them, Reform or Conservative conversions. That is an important development in light of the realization that a not insignificant number of "authentic Jews" in the Diaspora are dropping out and disappearing, or are caught up in zero population growth.

My personal reaction to the news of such large numbers of converts, and of even larger numbers of non-Jews marrying Jews, whether in the U.S. or the Soviet Union or elsewhere, is "Welcome, Shoshana Miller and the others of your kind who want to join us!"

I welcome both those who want to join us because they are attracted by the Orthodox way of life, and that even larger number who are attracted by other aspects of the Jewish way of life, and by living in Israel, the only functioning holistic Jewish society, though they are repelled by today's rabbinical version of Orthodoxy.

I understand, but refuse to give in to the Orthodox rabbinic opposition to such a point of view. My understanding turns to disdain, however, when I confront a reality in which the very same rabbinic, which has moved heaven and earth to deny the Shoshana Miller from joining us, go to the opposite extreme to clasp to its bosom an "authentic" Jewish murderer, William Nakash.

Where can we hide our shame over those who purport to be our spiritual leaders?

The writer is a member of the editorial staff of The Jerusalem Post.

## READERS' LETTERS

### THE POWER OF THE ORTHODOX

To the Editor of The Jerusalem Post

Sir, - I refer to David Krivine's excellent article of November 27, "Back to the religion of the middle ages." His claim that the moderate religious segment of our population here, "...tends to be silent, acquiescent..." to the right-wing, ultra-Orthodox actions and behaviour is not quite correct. Some, including this writer, who considers himself a liberal-minded, observant Jew, have spoken out forcefully in public from time to time, to express our dismay and outrage at the various misdeeds and the violation of laws by some of our co-religionists. Although we are a minority within a minority, we are against bigotry, prejudice and zealotry.

Mr. Krivine suggests we need "new forces" from abroad. Indeed we do. That, unfortunately is not likely to happen considering Israel's general condition today, its attitudes regarding the non-Orthodox, its rejection of religious pluralism enjoyed in all Western democracies.

The basic problem and the main reason why we find ourselves in this spiritual dilemma are the fundamental flaws in our present system of government. The present government of national unity has done away with checks and balances, vital in any democracy. Moreover to achieve coalition rule, the ultra-Orthodox have been highly sought after since 1977, and enjoy unprecedented political clout, disproportionate to their actual number.

One remedy for this situation would be to get Labour and Likud together and pass the excellent Gad Ya'acobi bill on electoral reform. Let the Knesset add a rider to this measure, requiring a minimum of five per cent of the electorate to gain a seat in parliament. If such a bill were passed, it would curtail the many splinter parties, lessen the need for making all kinds of deals with coalition partners, like the ultra-Orthodox, and reduce their tremendous power, which they now abuse. This would strengthen the moderate, liberal-oriented religious segment that has always acted more responsibly and reasonably.

Rehovot. DAVID FROELICH

### BREAST CANCER DETECTION

To the Editor of The Jerusalem Post

Sir, - I would like to correct a statement made by Yael Rom in Lea Levi's excellent article of November 18, "Learning to assert one's health rights" - namely that breast cancer detection is not handled by the public health system.

The sick funds enable their women members to have breast screening at their, or private, clinics. Maccabi permits breast screening at several clinics, including the Herzliya Medical Centre which I administered until recently as managing

director. Dr. Rosenblum, the medical director of the Maccabi Sick Fund, is very much in favour of screening. The subject of breast cancer detection is one of his specialties.

If we are already discussing the subject of screening, I would say that the problem is the level of reliability of the "voluntary screening," as the system of self-checking is certainly insufficient and requires to be broadened to incorporate use of radiology equipment, which today has minimal radiation.

Savona. DAVID GOSHEN

### KNESSET SALARIES

rate which has no say whatever against a government which is inefficient and corrupt.

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### TIME SHARING

To the Editor of The Jerusalem Post

Sir, - I and 36 other families wish to record through your columns our disgust at the manner in which we have each been treated in respect of time-sharing apartments we purchased in Tiberies.

Although it is almost a year since Tiberies Club Hotel Ltd. became insolvent and we have been unable to enjoy the investment we had made in Israel, no attempt has been made by the liquidator of the company to contact us or deal with our enquiries. Furthermore, all attempts by us to communicate with the association of owners of time-sharing units of the Tiberies Club Hotel at its offices have been unanswered.

It appears that Israel is very keen for non-Israelis to invest, but pays scant regard to their well-being, and we feel that others should be warned to be careful being lured into Israeli vacation and property investments.

Maidenhead, Berks. LEON ROSKIN

Rehovot. DAVID FROELICH

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## Dry Bones



## Arms and morals

Wladimir Struminski

ONCE AGAIN, West German politicians are debating whether or not to sell arms to Saudi Arabia. This time, the debate focuses not on the Leopard II battle tank, but rather on Saudi interest in six to eight German submarines, as well as naval base equipment and two land-based weapons systems, the Wildcat and the Gepard.

The debate was triggered by Franz-Josef Strauss, the prime minister of Bavaria who has been for a long time a proponent of more relaxed arms export rules. On a recent trip to Riyadh, Strauss demanded that Germany catch up with countries like Britain, France or Italy in the sale of arms to countries that have money.

The world of arms trade is not a place in which morals or even political wisdom prevail. Still, in light of Germany's past, the issue of arms sales is largely couched in moral terms. The sale of weapons to Saudi Arabia - an enemy of the Jewish state - encounters even more moral opposition. Politicians friendly to Israel - like the Social Democratic vice president of the Bundestag, Annemarie Renger - have tried to block the Saudi deal by citing Germany's special responsibility to Israel.

Proponents of the sale, mainly right wingers, do not dare, yet, to deny that a special relationship exists between the two countries, but they claim that it should not prevent arms sales to Saudi Arabia. Strauss even expressed his readiness to supply weapons to Israel - and government sources in Bonn make a point of stressing the Israeli interest in German submarines.

To be sure, supplying high-quality expensive weapons to both rich Saudi Arabia and poor Israel hardly benefits the latter and Israel is justifi-

fied in opposing a deal which may endanger its security.

ANOTHER POINT should be made about the German debate: despite all the protestations, West Germany has not really lived up to its special responsibility toward Israel. Unlike the United States, Germany is not debating arms sales to Saudi Arabia against the backdrop of a Middle East policy which actively supports Israel's capacity to survive. Therefore, while the U.S. awards sale to the Saudis was a deviation from a clearly pro-Israeli stance, Germany's current weapons sale debate is not.

In some bilateral fields - like town partnerships or the youth exchange - there are particularly close links between Germany and Israel. This does not hold true of West Germany's Middle East policy, however. That country makes no significant contribution to the basic interests of Israel, whatever responsibility it may claim to feel. It is a full partner to the European Community's line which is not exactly highly supportive of Israel.

Germany does extend annual development loans of 140 million Deutsch marks, but in net terms, this has become almost zero, as past loans are being repaid. West Germany's friendly attitude to Israel demands in the agricultural negotiations with the EC hardly constrains an adequate expression of historical responsibility.

Of course, German policy makers set their own priorities. It should be clear, however, that the arming of an enemy of Israel would destroy much of whatever little there is supporting the assertion of "special responsibility" to Israel. Therefore, the outcome of the debate on the Saudi deal will be seen as a decision of principle vis-a-vis Israel.

The writer is The Post's Bonn correspondent.



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